

A STUDY OF YOUTH PERCEPTION TOWARDS
RETIREMENT PLANNING IN MALAYSIA

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Planning in Malaysia

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PREFACE

This research objective is to examine the factors affecting youth perceptions towards retirement planning. Due to the limitation of time, efforts and resources, every possible effort has been made to study the problem. The whole project is measured through questionnaire, then the data collected from the study will be analysed by using SPSS and interpreted for further study.

Although there were plenty of previous studies about retirement planning, the study about youth perceptions towards retirement planning still rarely to be found especially in Klang Valley.

Therefore, the outcome of this study is expected to provide effective method to increase youth perception towards retirement planning. It would be grateful that this research would provide useful information or data to policy maker and financial advisors.

ABSTRACT

The quantities of elderly individuals in Malaysia is increasing fast. The wellbeing status of the elderly has improved gradually since 1982, resulting elderly individuals living longer self-reliantly. Growing long life, a decreasing birth rate, and the maturing of the large cohort of baby boomers have all added to this upsurge. Slow economic growth, a change from trades in the industrial sector to the service sector, shifting pension plans, and reducing employer paternalism all may affect retirement planning. The essential to begin searching for a national strategy to help Malaysians in improving their personal financial literacy and build up the important skills to keep their personal financial healthier in the proper perspective is vital. Approaches to inspire and improve financial literacy among Malaysian should focus on financial activities, skills, knowledge and behaviour. The plans could help individual's capacity and ability in a better placed to contribute towards individual's financial wellbeing and stronger development in the marketplace.

Therefore, this study tends to examine the factors affecting youth perception towards retirement planning. Seven independent variables are being adapted and adopted in this research to identify the major factors which includes awareness about retirement planning, saving behaviour, social security, financial literacy, attitudes towards investment, social influences and trust.

A total of 343 respondents from Greater KL area were participated and responded in this survey. Based on the findings and analysis, this study revealed that the parents play a vital role to improve the awareness about retirement planning among youth. The outcomes would be useful to policy maker and financial advisors as good reference to improve the retirement planning awareness among youth and so enhance the economic growth. Lastly, based on the findings, the researcher also suggested a few proposals for further study and improvement.

CHAPTER 1

INTRODUCTION

1.1 Introduction

When X and Y generation flourish Baby Boomers when buyers and executives, the global economic market is facing continual transition. The search for a better way of life, opportunity and adaptability continually replaces key labor and life-long health principles (Schiffman & Kanuk, 2007). Consumption motivations, hazard observations and money value are gradually evolving. Born after 1977, college and university students are fit in Generation Y with a higher level of confidence, more readiness to face risk, regularly determined by moment delight to appreciate life and keep up an in vogue social picture (Twenge & Campbell, 2008). Millennials are relatively high level of education, more professional and more creative than Baby Boomers (Heaney, 2007). In many circumstances, their defensive childhood has added to their incapability to decide (Heaney, 2007). A focus is the lack of financial knowledge among today's young adults of expectations and financial planning services.

Retirement planning has two types (Kimiya ghalam ; Mansori, Shaheen; Safari, 2017). The first identifies the government's obligations to finance retirees through various retirement plans. Then, people have a duty to save money or do investment for their retirement planning. This research dealt with the personal plan for

retirement. Private sectors employ the majority of the workforce in Malaysia (EPF, 2018). Employees Provident Fund (EPF) is the Malaysian government agency that carries out private organizations savings plan and retirement planning for workers. KS (2017) revealed that Many Malaysians have insufficient pension savings while reaching 55, forcing them to stretch their working years and 68% of retirees to drain their EPF contributions in 4.5 years. Most Malaysians, however, rely on small savings by mandatory contribution to the EPF, which may not be really enough for their retirement. Saving for retirement is, in reality, a moderately new concept for Malaysians. Family, especially children, is a key pillar in the funding of the pension plan in Malaysia (K. H. Nga & Yeoh, 2018).

1.2 Research Background

These days, many developed countries have structures to offer pensions to retirees, which may be supported by employers or the state. In most rural countries, the family still supporting the expenses of retirees. In current, retirement with a pension is considered a privilege of the worker in many societies, and hard ideological, social, cultural and political battles have been struggled about whether this is a right. In numerous western countries this right is protected by national constitutions.

Either defined benefit (DB) plans or defined contribution (DC) plans are delegated to pension plans, depending on how benefits are determined. In a defined benefit plan, benefits are calculated using a predetermined equation that typically determines salary and service variables with an employer, and payments are made from a trust fund specifically dedicated to the plan (Foster, 2015).

On the other hand, in a DC plan, every member has an account, and the benefit for the member is dependent upon both the amount of saving contributed into the account and the purchased fund performance of the investments. A few sort of retirement plans, for example cash balance plans, combine features of both DB and DC schemes (Abd Samad & Mansor, 2013).

In Germany, Singapore, and the United Kingdom, withdrawals from employer-based DC plans are basically restricted regardless of what sort of passing salary the household realizes. Meanwhile, in Canada and Australia, liquidity in employer-based DC plans is forcefully state-contingent. For a family unit that usually earns US\$60,000 (approx. RM250,980.00), DC accounts are totally illiquid except yearly income falls markedly, as such all the DC assets may be accessed. Besides, Canadian workers who temporarily have very low-income might face strong incentives to withdraw their DC balances.

The United States remains solitary in the high level of liquidity in its DC framework. Penalties for early withdrawals are moderately low, and early withdrawals are somewhat financed as pay falls momentarily. (Beshears, Choi, Hurwitz, Laibson, & Madrian, 2015)

In Malaysia, the pension scheme for government employees is being supported, on a progressive premise, from the late 80s. The corporatisation and privatization of numerous government entities, for instance those in the utility sector, has directed to a transferred of employees from the DB plan to the DC plan. (Ibrahim, Isa, & Ali, 2012)

Unfortunately, as high as 42 percent of the nation's work force is not likely going to be protected by a retirement scheme. From the study by Kimiyaghalam, Mansori, & Safari (2017) , there are active contributors to the EPF amounted to 4.78 million in 1999 or 52 percent of the work force of 9.18 million. Only 6.2% of the work force may have been protected by the government pension scheme.

1.3 Problem Statement

The quantities of elderly individuals in Malaysia is increasing fast. The wellbeing status of the elderly has improved gradually since 1982, resulting elderly individuals living longer self-reliantly. Growing long life, a decreasing birth rate, and the maturing of the large cohort of baby boomers have all added to this upsurge. Slow economic growth, a change from trades in the industrial sector to the service sector, shifting pension plans, and reducing employer paternalism all may affect retirement planning.

The result of study from Vaghefi, Kari, & Talib (2017) indicated that around 62 percent of aging people have lesser pension incomes relative to their pre-retirement income and are increasingly powerless against unexpected incentives and budgetary constraints. The study recommended that the salary substitution pace of old could be reinforced by putting resources into maturing workforce, raising retirement age, improving instructive accomplishments of low-pay gatherings and rebuilding business. These may thus build the accessibility of talented laborers, improving the national profitability, increment the salary security of retirees, lessen neediness, and create monetary development of the nation (Vaghefi, Kari, & Talib, 2017).

Nowadays, the young working adults believe that retirement planning is a heavy commitment for them since it involves long-term planning. As indicated by Life Insurance Associates of Malaysia (LIAM), those individual in 20's think that it is too early for them to plan about retirement, While they tend to believe in the 30's and 40's that they have enough retirement money because they have savings from their Employee Provident Fund (EPF). However, the truth is that when they reach 55 years of age, many people cannot afford to retire because of late retirement planning (Moorthy et al., 2012).

The essential to begin searching for Malaysians develop their personal financial literacy and create essential skills in order to maintain a healthy personal financial perspective is crucial. Approaches to inspire and improve financial literacy among

Malaysian should focus on financial activities, skills, knowledge and behaviour. The plans could help individual's capacity and ability in a better placed to contribute towards individual's financial wellbeing and stronger development in the marketplace. Furthermore, Kidwell & Turrisi (2004) indicated that people with better financial literacy would have a proper financial planning compared with those who have less financial literacy. Hence, this paper attempt to achieve the research objectives.

1.4 Research Questions

This study attempts to address the following questions: -

1. What are the major factors affecting young adult's decision on retirement planning?
2. What are the knowledge levels about retirement planning among young adult?
3. How to increase the awareness about retirement planning to young generation group?

1.5 Research Objectives

Several objectives are targeted in order to achieve the above-mentioned aim in this project.

The objectives of this project include the following: -

1. To investigate the major factors affecting young adult's decisions on retirement planning.
2. To examine the knowledge level of retirement planning among youth.
3. To propose methods to increase the awareness and importance of retirement planning to young generation group.

1.6 Significant of Study

Even though plenty of studies have been researched on personal retirement planning (Azlan et al., 2015; Hira, Rock, & Loibl, 2009; Ibrahim et al., 2012; Tai & Sapuan, 2018a), and most of these results focused on the effects of variables such as attitudes, saving motives, saving behaviours and time preferences, but examining the perception of young people towards personal retirement planning is still only partially understood. In fact, the factors are assumed to be the basic effect of acting the behaviour (Cialdini et al., 2001). There is important for a study on these issues since it can be included varied variety of perception of youth. Also, the contradiction in the outcomes of different studies takes prescribed to do the further studies on this topic. Based on a review of the literature, the majority of youth retirement planning studies have been undertaken in Western countries such as the United Kingdom, Germany, the Netherlands and the U.S. Nevertheless, many of Malaysia's studies concentrate on pension schemes rather than personal retirement planning (Tolos, Wang, Zhang, & Shand, 2014). Additionally, many published research on retirement planning was based on secondary data sets, most of which were not intended to study planning or were based on economics, an area not as interested in behavioural activities as compared with sociology (Kimiyağhalam, Mansori, & Safari, 2017). As a result, the purpose of this research is to identify youth perception towards retirement planning through a suitable scale and theory of measurement.

1.7 Research Gap

To the best knowledge of the researcher, there is no related research in the area about youth perception towards retirement planning especially in Klang Valley of Malaysia. Therefore, this study focused on the youth perception towards retirement planning in Greater KL area.

1.8 Chapter Layout

In this report, there are 5 chapters which including introduction, literature review, methodology, data analysis and final part is the discussion and conclusion. The chapter layout is shown details in the next paragraph:

Chapter 1: Introduction

The content is to portray the background of retirement planning, current issues of youth decisions on retirement planning, problem that made social encounter, objectives of this report, research questions, significant of study, hypotheses, chapter layout and lastly the conclusion of the chapter.

Chapter 2: Literature Review

The second chapter is made up by previous researches that is about the overview of youth definitions, retirement planning and those factors that will affect youth perceptions on retirement planning. It will also discuss and propose the theoretical framework in this section.

Chapter 3: Methodology

The substance will describe what method that used by the researcher to execute the report in the statement of designing research, sampling, the way for data collection, constructs of measurement, variable measurement and data analysis techniques.

Chapter 4: Data Analysis

Descriptive analysis, calculation of size, analysis of inferences and description that give the final result for this research will be determined in this current chapter. All those patterns and exploration of the results are corresponding to the questions, objectives and also hypotheses of the report.

Chapter 5: Discussion and Conclusion

The last chapter will be the argument of major findings which are based on the results of the analysis. Besides that, the restrictions of the study, recommendations for future research and an overall conclusion will be reported as well.

1.9 Conclusion

In this chapter, the researcher has outlined a broad field of the study which guide and grasp the attention of readers by providing the context of the study. Then, it also comes with the statement of problem and purpose. Next, the researcher has formed some questions from the past empirical studies and came out with the research objectives for this research study. The research objectives and questions will lead this research to the correct direction to complete the project. Lastly, researcher has explained the significance of the study.

This chapter dedicated a concise introduction to the composition of this research study. By the way, it can be used as a guideline for audiences before carrying on to the coming chapter.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

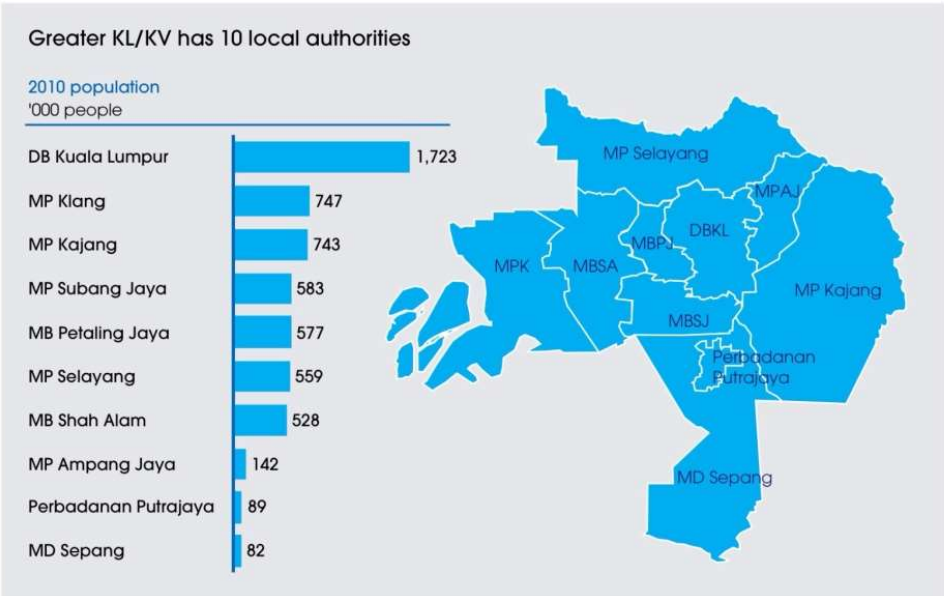
The researcher refer to previous relevant studies which similar to this topic. It is about a conspectus of the past academic literature and those analyses concerning the factors affecting retirement planning. This study will outline those factors that affect youth perception towards retirement planning. The theoretical framework will be formed in this chapter. Besides, commentary and study of each independent variables and dependant variable of this study will be further review which related to the factors affecting youth perception including but not limited to awareness, saving behaviour, financial literacy, social security, attitudes towards investment, trust and social influence. A proposed theoretical framework of this study will explain the relationship between the independent variables and the dependent variable. In final of this chapter, a conclusion will be presented to conclude this chapter of the literature review in aggregate.

2.2 Greater Kuala Lumpur / Klang Valley

The target location in the research will be focused in Greater Kuala Lumpur (Greater KL). According to www.investkl.gov.my, Greater Kuala Lumpur (Greater KL) is Malaysia's most established city, well-known as the region's leading business and financial hub. The substantial development of Greater KL is reflected in its success

throughout the Klang Valley, population growth and stable economic growth. Other than that, Greater KL is comprised of 10 districts which incorporate Kuala Lumpur City Hall (DBKL), Perbadanan Putrajaya (PPj), Shah Alam City Council (MBSA), Petaling Jaya City Council (MBPJ), Klang Municipal Council (MPK), Kajang Municipal Council (MPKj), Subang Jaya Municipal Council (MPSJ), Selayang Municipal Council (MPS), Ampang Jaya Municipal Council (MPAJ) and Sepang Municipal Council (MPSp) consisting of Cyberjaya/Salak Tinggi/KL International Airport. It also encompassing an area that is 11 times larger than KL city center. In 2010, Greater KL's population is about 6 million, contributing about RM263 billion to the gross national income (GNI) of the country. This means that 20 percent of the national population contributes 30 percent of the GNI of the nation, demonstrating that Greater KL is indeed the engine of economic growth of the country and is thus assigned as a National Key Economic Area (NKEA).

Figure 2. 1: Greater KL map and population (Department of Statistics, 2010)



SOURCE: Department of Statistics

2.3 Youth

2.3.1 Definition

In the Longman Dictionary of Contemporary English, young people have defined “someone is young under a period of time and who is under teenager stage”. In addition, the moment of youth is when an individual is no more a kid but still young adolescence. Generally, youth can be characterized as a life-cycle period before adult life begins, identified by elements such as the average age at which young people complete their school or university studies and are likely to begin playing adult roles in the community.

As defined in the 1997 National Policy on Youth Development, youth are the individuals who in age between 15 to 40. An amendment to the Youth Societies and Youth Development Act (Amendment) 2019 (Act 668) was passed by the Dewan Rakyat in July 2019 which tabled by Youth and Sports Minister Syed Saddiq Syed Abdul Rahman to change the definition of “youth” by lowering the age from 40 to 30 (Arfa Yunus, 2019). However, the researcher will remain the age range of target respondents who between 18 to 40.

2.3.2 Population

Figure 2. 2: Malaysia’s Population Pyramid 2015 (Department of Statistic, 2019)

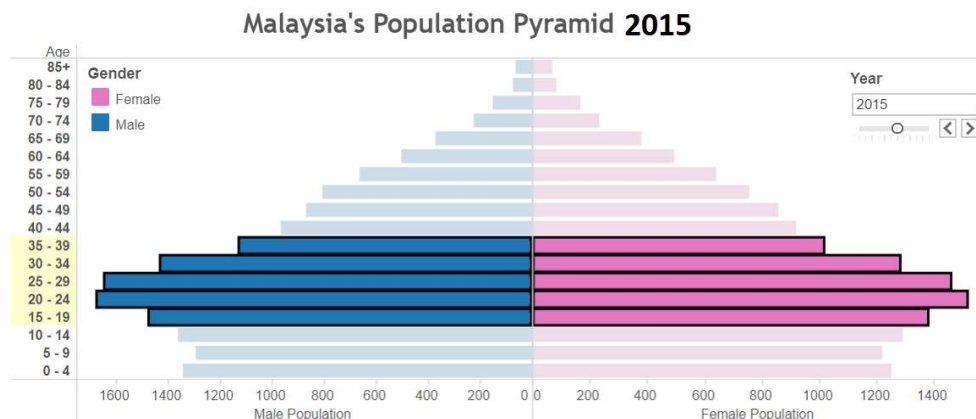
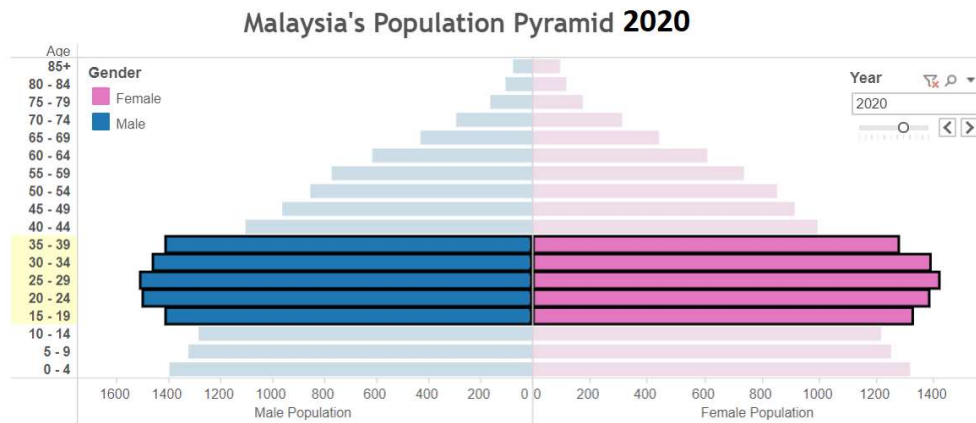


Figure 2. 3: Malaysia’s Population Pyramid 2020 (Department of Statistic, 2019)



As referred to Figure 2.2 and 2.3, the statistics show Malaysia's youth population in 2015 and 2020. From both figure statistics revealed that Malaysian Youth Population age between 15 to 39 is increased about 13,994,700.00 to 14,034,500.00 from year 2015 to 2020. Such statistics indicate the importance of raising young people's awareness of early retirement planning.

2.4 Retirement Planning

Mansor, Hong, Abu, & Shaari (2015) defined that retirement is that the phase of life wherever inclusion community activities and captivating behaviour subsided or narrow. In the meantime, The Dictionary.com defined that retirement is “the act of retiring, withdrawing or leaving the state of being retired; or the act of retiring or of leaving one’s job, career or occupation permanently, usually because of age”. Retirement planning is vital as individual are longer live nowadays. For instance, an infant who born in 2019 is expected to live an average of 74.5 years as indicated by the Statistics Department (The Star Online, 2019). People start to work after school at the age of 17. Those who have further studies at an intermediate or tertiary level will start working at age 24 or older. The issue of employability can affect people in order to secure jobs more than a few years later. Up to the retirement age, the

individual who has a constant career may work through. While there are people who choose to retire due to illness or accident (Zaihan, 2017).

In Malaysia, personal retirement planning is not compulsory, it is a self-decision for future planning. Ng, Tay, Tan, & Lim (2011) studied that the strategy for the future is developed by preparing for income management for savings, expenditure and investment purposes. Sadly, many people is not ready for the arrangement. Moving the Defined Benefit (DB) scheme to the Defined Contribution (DC) plan forced all risks associated with retirement planning such as insufficient savings for untrained people (Andonov, Bauer, & Cremers, 2017). There are few factors causing the individual's avoid planning. Many people think that retirement planning is significant when they are about to retire, or they are still young and far away from retirement years and even start saving for their retirement, but it is still not enough. (Martin Jr, Guillemette, & Browning, 2016).

Planning for retirement is troublesome, few do it and fewer still think they did it right (Annamaria Lusardi & Tufano, 2015). Studies of personality revealed that certain traits include future orientation and propensity to plan are related to planning and saving (Cialdini et al., 2001; Kimiyaghalam, Mansori, & Safari, 2017). Over 40% of successful organizers use formal methods like retirement calculators, retirement seminars, or financial experts, while simple planners might have more tendency to rely on less formal approaches, which include talk with parents, siblings, relatives, colleagues or mates (Moorthy et al., 2012).

Planning for retirement is described by various components like financial security, great wellbeing and so forth. Few theoretical studies, together with pragmatic involvement, centred on the financial field of retirement planning due to a wide range of participation in various fields such as well-being, leisure and work. (Parker, Bruin, Yoong, & Willis, 2012).

However, this study focused between factors of youth perspective and retirement planning as lack of analysis on retirement planning particularly on youth perception

has been done. Therefore, factors that may have an effect on retirement planning and also the importance of these factors to youth are to be studied in next topic.

2.5 Factors Affecting Youth Perception Towards Retirement Planning

2.5.1 Awareness

As defined by Longman Business Dictionary, awareness is “knowledge or understanding of a particular subject, situation, or thing”. Reinhardt, Mletzko, Sloep, & Drachsler (2012) identified that there are five various types of awareness which include the technological aspect of awareness, the relationship aspect of awareness, the content aspect of awareness, the personal aspect of awareness and the contextual aspect of awareness.

Awareness of the value of pension savings is awareness of the importance of pension planning (Ibrahim et al., 2012). Essentially, workers become aware of retirement planning while researching the aspects of financial planning for retirement. However, most of them did not take further action for retirement planning. In this manner, this self-contradictory behaviour leads to postponement of pension planning. Individual realized the essentials of retirement savings when they are close to retirement and when they begin to spend a lack of money during retirement. This laid back conduct is one of the reasons most retirees to continue working to pay their retirement living cost as reported by R. L. Clark, Hammond, & Liu (2019).

A study by Zaihan (2017) found that many respondents had good pension planning knowledge, but their tenderness makes it impossible for them to save and save in retirement. Additionally, the considerations of age and gender have a major impact on pension preparation. In addition, there have been increase their knowledge of retirement planning, few consequences for pre-retirees.

Nga, Yong, & Sellappan (2010) discovered that the degree of education and majors influence general and financial product awareness among youths. Additionally, males were found to have better levels of financial knowledge in contrasted with females.

Lusardi & Mitchell (2006) found that financially skilled people are bound to plan and succeed in their arrangements and rely on formal methods such as retirement calculators, retirement seminars and financial experts rather than family / relatives or colleagues. These results have consequences for targeted efforts in financial education.

The level at which individuals replace usefulness over time is generally correlated with the ability to save for retirement. Nevertheless, there was a lack of empirical support, mainly due to the difficulty of accurately measuring time preference. Using a sample of 6812 students, this study provides the first clear empirical evidence that time preference for cash is a major predictor of the value a respondent places on saving for retirement (Finke & Huston, 2013).

Estrada et. al (2017) proved that there exists a strong relationship between inflation or exchange rate and the EPF real value. They concluded that any pension system needs to include inflation and the exchange rate to evaluate its future and real value for pensioner's welfare without any restriction or limitations in the analysis.

Therefore, if they work for state, it is important for private sector employees to know about pension savings. In retirement planning, people need to know their way of life, return rates on various types of investment, retirement age and so on.

2.5.2 Saving Behaviour

Saving behaviour is defined as an understanding of how people save in a country to realize that country's economic condition, according to the Maps world of finance. It is normal facts that if people save more, they will also increase the levels of their

personal disposable income. This also ensures that people's living conditions will also improve (UK Essays, 2018).

Retirement may look to be far away from current however it is necessary to plan earlier to make sure that retirees have sufficient money for themselves. Some of the fundamental needs including accommodation, daily expenses, medical expenses and emergencies. The one forbidden thing retirees need to keep away is having debts when they retired. (Ibrahim et al., 2012).

Furthermore, father and mother have vigorous roles in educating their children to act properly in all aspects of their lives, including managing monetary. The first one is the influence of parents in saving, turned out to have a significant positive effect on financial knowledge (Fajar & Syamlan, 2018).

Another researcher Kadir et al. (2015) indicates that parent socialization has the strongest influence on the behaviour of UiTM Malacca City students. Financial literacy therefore has the strongest relation to saving behaviour.

Kimiyaghalam, Mansori, Safari, & Yap (2017) suggested that it is necessary for parents to be Understanding their influential role in the actions of their children. Besides, Yong, Yew, & Wee (2018) claimed that young working adults must be made aware on the importance of possessing right financial behaviour by budgeting, control over their spending, practise living within means, continuous monitoring of expenses, practice of saving and planning for old age and unexpected expenses.

2.5.3 Social Security

In Malaysia, workers' social security is given under the government pension scheme or the Employees Provident Fund (EPF). The government retirement plan offers a defined benefit that can maximum 60% of the accumulated lifetime income. Tolos studied favourite for the government pension scheme among the Malaysian government servant that a substantial variance in fulfilment between the EPF and

the government pension scheme was initiated with greater fulfilment within the pension group. (Tolos et al., 2014).

In the Employee Provident Fund (EPF), those in the private sector are allocated to save. Employees of the private sector who are members of the EPF will be credited to their EPF accounts for the sum of 20 percent of their monthly salary. The employer pays 12 per cent for this total and the employee pays 8 per cent. The contribution levels are subject to timely adjustment. Most members feel their eventual pension is guaranteed only by neglecting to see the figure reflected to them elsewhere, however, depending on the 1/5 of the earnings. The inevitable question is whether the total amount invested in the EPF fund is adequate to fill the pensioners in the retirement years (Vaghefi et al., 2017).

Pursuant to section 139A of the Capital Markets and Services Act 2007 (CMSA), PRS is defined as a retirement scheme regulated by a trust, provided or made available to the public solely for the purpose or with the effect of building up long-term retirement savings for members where the amount of benefits is to be calculated solely by reference to the contributions made to the scheme and by any declaration. There are eight providers of PRS, namely AIA Pension and Asset Management Sdn. Bhd., AmInvestment Management Sdn. Bhd., CIMB-Principal Asset Management Berhad, Hwang Investment Management Berhad, Kenanga Investors Berhad, Manulife Asset Management Services Berhad, Public Mutual Berhad, and RHB Asset Management Sdn. Bhd. There is no rule or regulation that guarantees the profit for PRS funds. The contributors' interest is not secure. All of the return is totally depending on the funds (Azlin Namili, Ramli, & Mohammad, 2017).

2.5.4 Financial Literacy

Financial literacy is usually seen as a particular type of consumer's ability to deal effectively with the individual's financial issues or with personal finance-specific forms of human capital (Van Rooij, Lusardi, & Alessie, 2012). Many researches showed that many individuals have low levels of financial literacy, and this issue

has a relationship with the lack of financial planning and insufficient savings for retirement (Annamaria Lusardi & Mitchell, 2006). Several studies confirmed a high correlation between financial literacy and a set of financial behaviours related to saving, wealth, and portfolio choice (A. Lusardi, 2014; Mat, 2003; Van Rooij et al., 2012). In the research of Lynch Jr & Netemeyer (2014), 168 articles covering 201 previous studies carried out a meta-analysis of the relationship between financial literacy and financial education and financial behaviour. They found that intervention to enhance financial literacy accounts for only 0.1% of the variance in financial behaviour, with greater effects on low-income samples. Adam & Rau (2011) concluded in his study that financial literacy plays a crucial role in financial preparation for retirement.

R. Clark, Lusardi, & Mitchell (2017) studied that the most financially knowledgeable employees are more likely to participate in their pension plan, contribute a higher percent of their pay, and hold more equity in their retirement accounts. In sum, employer provided learning programs are shown to significantly impact employee retirement saving decisions and consistent with a lot of other research, higher levels of financial literacy are found to have a beneficial impact on retirement saving patterns.

Retirement counsellors recommend setting a savings target based on a replacement income for retirement and an acceptable level of risk rather than trying to maximize funds by risky investments. Risk tends to be particularly important in mitigating the closer to retirement. The main aim is to meet or exceed a retirement target. Missing a retirement target, however, may lead to a loss of retirement income (Gunaratne & Nov, 2015).

Annamaria Lusardi, Mitchell, & Curto (2010) mentioned that young people tend to score low on financial knowledge, financial behaviour, and financial literacy. High educational status has also been found to be an important indicator of high financial awareness, financial attitude, financial conduct, and financial literacy in most cases.

High educational status has also been found to be an important indicator of high financial awareness, financial attitude, financial conduct, and financial literacy in most cases (Bucher-Koenen, Lusardi, & Alessie, 2016).

2.5.5 Attitudes toward Investment

The word investment can mean the production of goods from the economist perspective that produce other goods. In the famous investment in use is assumed to be buying stocks and bonds, for example. Investment can also mean non-physical investment, investment in human capital whereby you invest in yourself by studying (Hietanen, 2017). The Oxford Dictionaries defined investment as an operation or the acquisition of something that will make future profits possible. Investment is often seen as a profit-making practice from an individual's perspective and applied to the financial markets. This means putting money aside and investing it in the assumption that the person making the investment will benefit in the future.

BusinessDictionary.com has defined attitude as a predisposition or tendency to respond positively or negatively to an idea, object, person, or situation. Attitude influences an individual's choice of action and responses (together called stimuli) to challenges, incentives, and rewards. There are four main components of attitude that include (1) affective: feelings or emotions; (2) Cognitive: belief or opinions held consciously; (3) Conative: inclination for action; (4) Evaluative: positive or negative response to stimuli.

As indicated by Ibrahim et al. (2012) many EPF members favour to let EPF only to decide on the fund selection to invest. This overall default behaviour is due to factors such as members who are reluctant to make complex and challenging investment choices, members who are inactive in investment selections or members who merely postpone decisions. Furthermore, those who have confused and have not realized that retirement is approaching, and problems with getting old are not of immediate concern. Thoughtfully, their pension savings may not be sufficient in the retirement years to pay for their wellbeing. As per The Star in an article "Saving Early for

Retirement” (Loh, 2009), it has been reported that “70% of contributors who withdraw their entire EPF savings at age 55 deplete all their EPF savings in just three years post-retirement.” Policy makers have convert increasingly concerned about this. Therefore, the savings behaviour of employees towards retirement savings needs to be studied.

Gunaratne & Nov (2015) concluded that most respondents in his study almost achieve their savings goal by referring to the expert interface condition tracked by the social interface condition. The control condition was less effective, similar to the current popular interfaces to save retirement. Participants made more changes in asset allocation than the control condition in both expert advice and social comparison conditions.

Ansari & Moid (2013) concluded that young investors generally take trade decisions based on their perceived competence, but sometimes also with the help of professional consultants..

2.5.6 Social Influences

Business Dictionary.com defined social influence as the actions, reactions, and thoughts of an individual are influenced by other people or groups. Social influence may be represented by peer pressure, persuasion, marketing, sales, and conformity.

Social influence includes intentional and unintentional efforts to change other’s beliefs, attitudes, or behaviour. Contrasting to persuasion, where it is typically purposefully and requires some level of awareness with respect to the objectives, social influence might be unintentional or coincidental. frequently works by means of fringe preparing. Thus, the objective might be unconscious of the impact endeavour. Distinct with compliance gaining, which is generally objective coordinated, social influence is often directed without goal and the results might be conflicting with, or disconnected to, a communicator's objectives. (Gass, 2015)

Bongini & Cucinelli (2019) found the evidence on a sample of Italian university students highlights that the theory of planned behaviour predictors, pension knowledge, money management and the highest level of financial literacy, positively influence their intention to invest in a pension fund.

Ibrahim et al. (2012) concluded that individual can acquire data and make decision through socializing with surroundings. Other than that, Power & Phillips-Wren (2011) investigated six various kinds of social media which are collaborative projects, blogs and microblogs, content communities, social networking sites, virtual game worlds, and virtual social worlds. Social media have changed with improved technologies. These advance technologies support user made content that is effortlessly disseminated. People can modify and control content easily. Publication of ideas and views is not studied, expurgated or assessed for quality. Online networking additionally makes new types of companion pressure that are increasingly prompt and more extensive in scope than anything encountered in face to face circumstances. Peer pressure refers to the influence exerted by a peer group in encouraging a person to change their dispositions, qualities, or conduct. Both informational and normative conformity discussed in the literature seem to occur in social networks. Informational conformity can have an impact on decision making because the decision maker turns to the members of his/her social network to obtain accurate information. Normative conformity may also bias decisions because the decision maker conforms in an effort to be liked or accepted by the members of one or more social networks.

2.5.7 Trust

Business dictionary.com defined trust as “legal entity created by a party (the trustor) through which a second party (the trustee) holds the right to manage the trustor's assets or property for the benefit of a third party (the beneficiary)”. The four primary sorts of trusts are living where trust made by the trustor while the person is alive; testamentary where trust set up through a will and which happen (is made) when the trustor kicks the bucket; revocable where believe that can be altered or ended by the

trustor after its creation; irreversible where believe that can't be changed or ended by the trustor after its creation.

Tavor & Garyn-Tal (2016) studies have shown that the degree of risk tolerance associated with a pension savings plan is predictable with that associated with other monetary items, but not with genuine items. Most respondents reveal high risk tolerance for savings in retirement, and their decision-making process is comparable to a process of random thinking. The degree of attention and collection of data concerning retirement investment funds is the lowest as compared and the other monetary and genuine products examined in this paper. Dominant portion of the respondents are less tolerant of hazard to other money-related and genuine items.

Koh, Mitchell, & Fong (2019) provided new evidence in the study that trust in financial and governmental representatives is positively associated with not only greater pension wealth balances, but also a higher likelihood of having life, health, and long-term care insurance coverage. Further, older adults who rely on insurance agents and bank financial advisors are also more likely to participate in stock markets and seek professional financial advice.

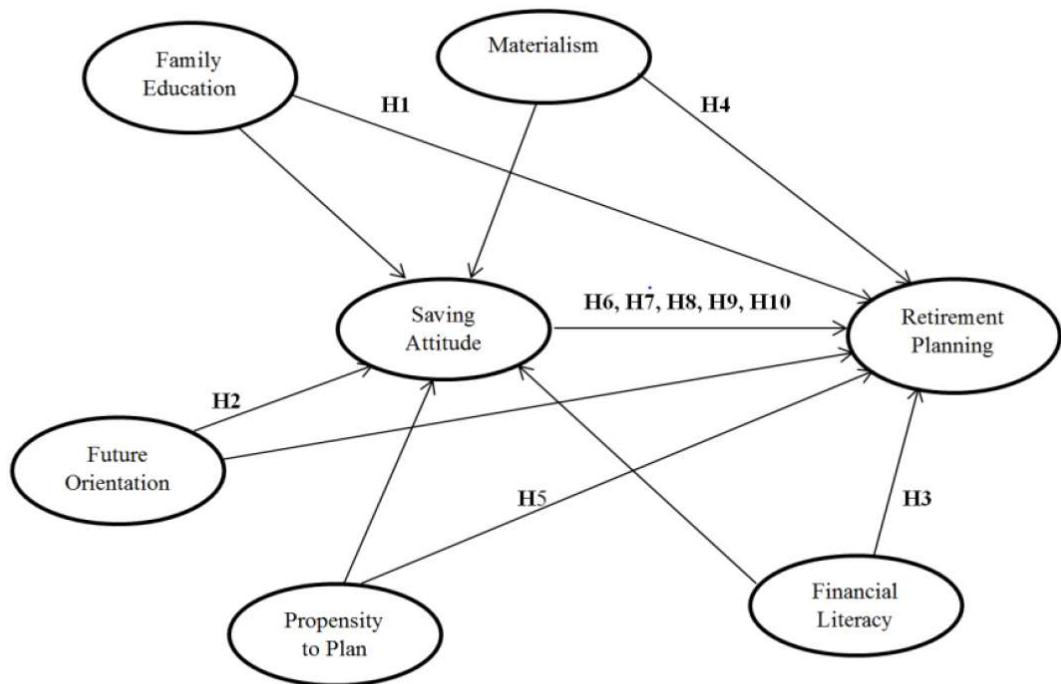
Othman (2010) conducted a survey on 2000 retirees in Malaysia has revealed that the benefits provided by EPF are not sufficient to support their retirement life. The average EPF balance for men retired in 2010 is RM160,000 while for women is RM100,000, but 50% of the EPF members retired in 2010 received balance less than RM50,000.

Azlin Namili et al. (2017) further strengthen the confidence of PRS contributors, some of the PRS providers have recommended the government to insured PRS funds as bank insured their funds through Malaysia Deposit Insurance Corporation (MDIC).

2.6 Conceptual Framework

The researcher adapted the framework from Kimiyaghalam, Mansori, & Safari (2017) as it endeavours to provide information on the solutions applied by focusing on issues such as vital steps towards Malaysian well-being in old age.

Figure 2. 4: Conceptual Framework

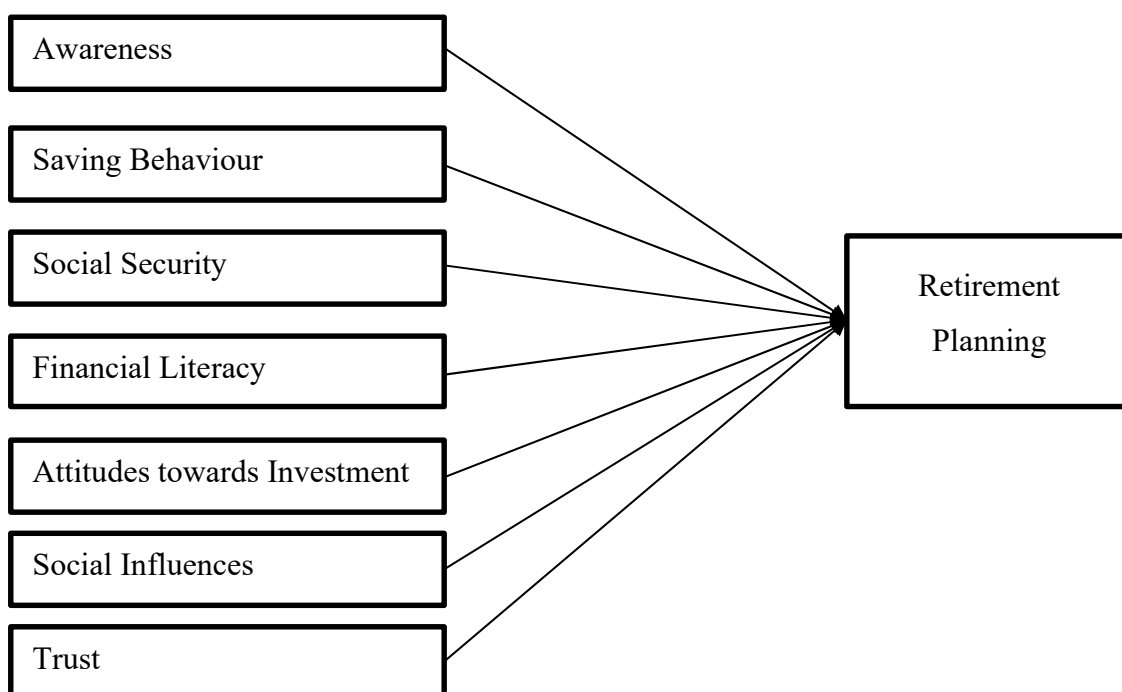


Note. From Kimiyaghalam, F., Mansori, S., & Safari, M. (2017). *The Effects of Behavioral Factors on Retirement Planning in Malaysia Working on the influence of behavioral factors on retirement planning View project Intrapreneurial Behavior and individual characteristics View project The Effects of Behavioral Factors*. (July). Retrieved from <https://www.researchgate.net/publication/317719935>

2.7 Research Framework

The relationship between the factors includes awareness, saving behaviour, social security, financial literacy, attitudes towards investment, social influences and trust which may affect youth perception towards retirement planning in Klang Valley of Malaysia are illustrated in Figure 2.3.

Figure 2.3: Theoretical framework of the factors of Youth Perception and Retirement Planning in the Klang Valley of Malaysia



2.8 Conclusion

According to the previous studies, a lot of researchers had proven that the selected independent variables which are social influences, awareness, trust, social security, saving behaviour, financial literacy and attitudes towards investment have significant influences towards retirement planning in Klang Valley of Malaysia. Although some of them have less data toward this field especially in Malaysia, this

makes harder in our research. However, in the positive way, it also becomes more interest for this study.

According to the context of Klang Valley, the further examination will be done on advanced hypotheses to certificate the relationship. This study will be discussed for the operating of the sample item in the following studies.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Introduction

This chapter emphasizes on the methodology and ways to carry out this research. This chapter is crucial to identify the relationship among independent variables (Social Influences, Awareness, Trust, Social Security, Saving Behaviour, Financial Literacy, Attitudes toward Investment) and dependent variable (Retirement Planning) by using several approaches. The following section is the data analysis which mainly discuss about the methods used in this study.

3.2 Research Design

It explains the study design for perception of youth in Malaysia towards retirement planning in this section. According to Creswell & Creswell (2017) , research design is the core study plan to describe the techniques and strategies used to collect, break down and evaluate information and data. Research design shows how the researcher essentially actualizes the research and works as a system for social task direction and information analysis (Saunders, Lewis, & Thornhill, 2016). Creswell & Creswell (2017) claimed that there are qualitative and quantitative method types of research plan for a research.

Qualitative methods act as a methodology involving interviews in a semi-structured or unstructured form, observation of the substance's participation and investigation, as well as narrative analysis for the individual's achievement, and the collection, analysis and discussion of data and information (Creswell & Creswell, 2017).

Quantitative method will be used in this research to find the factors affecting youth perceptions towards retirement planning and other objectives stated in Chapter 1. According to Saunders et al. (2016), the quantitative method is an approach that generates the numerical data using the data collected for the study. Creswell & Creswell (2017) stated that the quantitative method is a deliberate method that used empirical, traditional or computational mathematics to understand the models. Because the quantitative method can include the widespread population, the testing and examination of the study hypotheses and the development of the numerical models as well as the theories for the study are more appropriate and effective. In addition, the information gathered using quantitative approach is in the form of numbers or measures, such as percentages or levels.

3.3 Data Collection Method

It is important to have the data collection method in every research as the information collected by researchers must be valid and reliable to the research and an inaccurate data collection would have an impact to the outcome of the study and finally become an invalid result. Actually, there are two main data collection methods that have often been used which are primary data collection and secondary data collection. In this study, the primary data is chosen for the data analysis which means a face to face interview is conducted for collecting the data (Walliman, 2017).

3.3.1 Primary Data

Primary data is defined as the direct gathered data and information (Saunders et al., 2016). Sekaran & Bougie (2016) expressed that the primary data is more reliable

and solid as objective in connection with secondary data, since the data is not yet published. In this study, the self-administered questionnaire is utilized to compile the data. Creswell & Creswell (2017) claimed that the respondents filled out the self-administered questionnaire without the researcher's guidance. The questionnaire used in this analysis is adapted from previous similar research journals article rather than generating completely new questions. Majority respondents are unlikely to answer long feedback questionnaire or face to face interview, therefore the questionnaire will be straightforward and clear so as to acquire sufficient feedback and prevent data error.

However, this study will include the pilot test as well because it can ensure reliability before having the actual set of the questionnaire.

3.3.2 Pilot Test

Perneger, Courvoisier, Hudelson, & Gayet-Ageron (2015) mentioned that the main purpose of the pre-test is to verify that the target audience understands the questions and proposed response options as intended by the researcher, and is indeed able to answer meaningfully. They also studied that small samples size of 5 to 15 participants that are common in pre-tests of questionnaires may fail to uncover even common problems. A default sample size of 30 participants is recommended.

In this research, there were 42 respondents who are working adult in Klang Valley. To verify the veracity and dependability of the data which the researcher gathered, this study had run the reliability test in the current section. The result had shown in Table 3.1 below.

Table 3. 1: Result of Reliability Analysis for the Pilot Test

Cronbach's Alpha	Strength of Association	Number of Item
0.848	Very Good	42

Based on this pilot test, the Cronbach's Alpha trusty modulus for entire evaluation is 0.848. This indicated that the variables contained in the questionnaire are reliable and can be used because the appearing result is more than 0.7. Besides that, based on the feedback from the respondents, researchers had some amendments accordingly before distributing the questionnaires to actual target respondents.

3.4 Sampling Size

The Central Limit Theorem stated that the sample size must reach 30 to be regarded as a large sample size (Sekaran & Bougie, 2016). As stated in the general guideline, sample amounts greater than 300 will be considered as large sample size, while 200 will be calculated as fair sample size and 100 sample size is low (Manning & Munro, 2007). Saunders et al. (2016) noted that the sample size can represent a large population of 300 samples. Therefore, in this analysis, 300 sample size will be distributed.

3.5 Sampling Technique

There are two different categories of sampling methods, that is probability sampling and non-probability sampling (Saunders et al., 2016). Popular probability designs including simple random sampling, stratified random sampling, cluster sampling, systematic random sampling, cluster sampling and multi-stage sampling, there are equal and known opportunity for every respondent being selected from the population to participate the survey. As for non-probability sampling design, consist of convenience sampling, judgmental sampling, quota sampling and snowball sampling, every respondent have unknown probability for being chosen from the population to participate the survey (Saunders et al., 2016).

In this study, quota sampling is used to ensure the assembled respondents from entire population fulfil the quota criteria which means the sample chosen are assumed to

proportionally represent the whole population being studied with respect to known characteristics, traits or focused phenomenon.

3.6 Questionnaire Design

The design questionnaire process is crucial because in this study, the researcher wants to collect the respondents ' data for the purpose. In this study, close-ended questions will be used for finding factors and solution proposal by the researcher. By selecting the best opinion to represent the statement in the questionnaire, the respondents will be able to provide the more explicit and restricted replacement response. (Ekinci, 2015).

The questionnaire included three separate sections, Section A, Section B and Section C. In Section A, the questions are related to the demographic profile of respondents, which includes gender, age, marital status, highest education levels, personal monthly income level and occupational. This information provides researcher a better understanding on the demographic profile of respondents.

Section B aims to collect data for this study on the independent variable, such as social influences, awareness, trust, social security, saving behaviour, attitude toward investment and financial literacy, and the data for the dependent variable which is retirement planning. For this analysis, the Four-Likert scale is used for the survey questions to assess the sample response. The scale of the Likert ranges from a strong disagreement to a strong agreement. The Likert scale is widely used as a method for gathering the respondents ' feedback for the research survey (Losby & Wetmore, 2012).

Questions related to methods to increase awareness about retirement planning will be set in Section C to meet the objective of the study which is to propose the most suitable method to increase the awareness about retirement planning among youth. Few selections suggested by previous studies will be listed in Section C for respondents to select the most preferred method.

3.7 Construct Measurement

The questionnaire used in this study as an investigation method and consists of the lists of questions to collect data for the analysis from the respondents. There are four measurement scales that can be used to observe and examine the different types of data and information and to measure the data satisfactorily, namely nominal scale, ordinal scale, interval scale and ratio scale (Kumar, 2019).

3.7.1 Nominal Scale

Nominal scale also known as the categorical variable scale, the nominal scale is characterized as a scale used in particular classifications for labelling factors and does not include a quantitative value. This scale is among the four parameter measurement scales the least complicated. Measurements based on these variables are useless because there is no numerical value of the objects.(Saunders et al., 2016). In this study, researchers used a nominal scale to classify respondents' gender and marital status as it doesn't involve a quantitative value.

3.7.2 Ordinal Scale

Ordinal scale is characterized as a variable scale measurement utilized to represent the total order. Such scales are normally utilized to explain non-numerical concepts such as duration, fulfilment, cheerfulness, knowledge and so on. The implementation of this scale is easier to remember as ' Ordinal ' sounds like ' Order, ' which is closely determining the scale. Ordinal Scale keeps qualities of description along with an essential order nonetheless is invalid of scale origin and therefore cannot be calculated the distance between variables. Description qualities suggest tagging of nominal-scale properties, in addition the relative factor position of the ordinal scale. There is no origin of this scale because there is no fixed start or “true

zero” (Saunders et al., 2016). In this study, researchers used the ordinal scale to measure respondents' age, educational level, income level and occupational.

3.7.3 Interval Scale

The interval scale is characterized as a numerical scale where the variable order is referred to the difference between the variables. Variables whose differences are similar, persistent and calculable are categorized according to the interval scale. It is also easy to evoke this scale's primary role, 'Interval' specifies 'distance between two entities, ' which is what the scale of Interval helps to achieve. Both scales are important in opening doors for quantitative data analysis. The central trend in this scale can be calculated using the mean, median or mode. The only downside of this scale is that no pre-selected starting stage or actual zero value exists (Saunders et al., 2016).

The interval scale includes all the properties of the ordinal scale, although the variables difference is measured. The main feature of this scale is the intermediate disparity between artefacts. For measuring the level of respondents' agreement and disagreement from an attitudinal object, it is better to have the interval scale. As it can be graded in a more accurate way. A symmetric Likert scale offer less choices on one side of neutrality (average) as compared to other side. A symmetric scale in some cases also indicates ipsative (forced) choices where there is no perceived value of indifference/neutrality of the researcher (Joshi, Kale, Chandel, & Pal, 2015). The researcher used symmetric scale in this study for surveying the variables. That information of variables which collected will be measured under this four-point Likert Scale (1=strongly disagree, 2=disagree, 3=agree, 4=strongly agree).

3.7.4 Ratio Scale

The ratio scale is characterized as a variable measurement scale allow researcher finds the differences between the variables and identified along with the true zero

value data. It is determined by assuming that there is a zero alternative between the variables, the variance between the two variables is the same and the choices have a particular order. With the choice of true zero, various inferential and concise analytical methods can be applied to the variables. Nevertheless, whatever a nominal, ordinal and interval scale can do, the ratio scale will set the absolute zero value as well. (Saunders et al., 2016).

The ratio scale offers the most detailed information as researchers and statisticians can use statistical techniques to calculate the core pattern for example mean, average, mode and methods. The ratio scale is compatible with three other factor measurement scales, which are the marking of variables, the importance of the order of variables and a predictable discrepancy (usually equidistant) among variables (Kumar, 2019).

3.8 Variables Measurement

In this research, the current dependent variable is the retirement planning. There were 6 questions about personal information developed under section A which include gender, age, marital status, education level, personal monthly income level and occupational.

There were 35 questions in section B that captured the seven factors and used to measure the factors affect youth perception towards retirement planning. The questionnaires on the factors were grouped into seven elements which consisted of awareness, saving behaviour, social security, financial literacy, attitudes towards investment, social influences and trust.

Besides, a question related to increase awareness about retirement planning was set in section C to find the most suitable method to increase the awareness about retirement planning among youth.

Questions are adapted from few research studies and summarized in Table 3.2.

Table 3. 2: Source of Variable Measurement

Latent Variable	No	Sample Measurement Items	Source
Awareness about Retirement Planning	B1.1	Retirement planning is important for me	Ibrahim et al. (2012)
	B1.2	I participate in workshops/seminars on retirement planning.	R. Clark et al. (2017)
	B1.3	I have a clear understanding of financial issues for retired people.	Tai & Sapuan (2018)
	B1.4	I save to prepare for my old age.	Finke & Huston (2013)
	B1.5	Inflation is an important consideration in my retirement planning.	Estrada, M., Khan, A., Staniewski, M., & Mansor (2017)
Saving Behaviour	B2.1	I put money aside on a regular basis for the future.	Crossan, Feslier, & Hurnard (2011)
	B2.2	I keep track of my money.	J. K. H. Nga et al. (2010)
	B2.3	I should start saving as early as possible	Shobe & Sturm (2007)
	B2.4	Parents have vital roles in affecting children's financial behaviour in adulthood	Fajar & Syamlan (2018)
	B2.5	I save as much as possible and only to spend money on things that are strictly necessary.	Kimiyaghalam, Mansori, & Safari (2017)
Social Security	B3.1	The EPF/PRS saving/Pension Scheme is not sufficient for my retirement	The Star Online (2019)

	B3.2	I do save my money in PRS for my retirement	} Azlin Namili et al. (2017)
	B3.3	I think saving in PRS can get better return than EPF	
	B3.4	I am satisfied to the contribution rate that mandatory for employee to save in EPF	Tai & Sapuan (2018)
	B3.5	I am satisfied on the dividend distributed to my EPF	J. K. H. Nga et al. (2010)
Financial Literacy	B4.1	I have money available in the event of another economic depression	J. K. H. Nga et al. (2010)
	B4.2	I set long term financial goals and strive to achieve the	Selvadurai, Kenayathulla, & Siraj (2018)
	B4.3	I pay my bills on time	Garg & Singh (2018)
	B4.4	I plan earlier how my money will be used in the next 1–2 years.	} Kimiyaghalam, Mansori, Safari, et al. (2017)
	B4.5	Being careful with money is an important character trait.	
Attitudes towards Investment	B5.1	In general, safe investments offer lower returns	} J. K. H. Nga et al. (2010)
	B5.2	Speculative trading is a good way to invest for retirement	
	B5.3	I will do my own research before I invest.	
	B5.4	I will seek advice from financial consultants before I invest.	Zaihan (2017)
	B5.5	I will seek advice from family members before I invest.	Foster (2015)
Social Influences	B6.1	I usually discuss with my friends about retirement planning.	} Loke (2016)

	B6.2	I will enrol in retirement planning if my friends or colleagues do so	
	B6.3	Information from social medias are important for decision making in retirement planning	Power & Phillips-Wren (2011)
	B6.4	Information from friends or colleagues are important for decision making in retirement planning	} Loke (2016)
	B6.5	I learnt from my friends or colleagues on how to do retirement planning	
Trust	B7.1	I am confident to the fund performance of financial companies	Tavor & Garyn-Tal (2016)
	B7.2	I am confident to the investment return in EPF	Mat (2003)
	B7.3	I feel my money is safe to invest in private financial companies for my retirement	Azlin Namili et al. (2017)
	B7.4	I feel my money is safe in EPF	J. K. H. Nga et al. (2010)
	B7.5	The ability to compare investment products would increase confidence level of investors	Crossan et al. (2011)
Methods to Increase Awareness	C1.1	Family Education	Kimiyaghalam, Mansori, Safari, et al. (2017)

	C1.2	To Develop Financial Education Programs in Higher Education Institutions	Crossan et al. (2011)
	C1.3	To Set Up Finance Educational and Awareness Campaigns and Seminar	EPF (2018)
	C1.4	Government Subsidy to Youths Contribution eg. provide incentive to youths who contribute to private retirement scheme	Azlin Namili et al. (2017)
	C1.5	Introducing Financial Educational Programs in the Workplace	K. H. Nga & Yeoh (2018)
	C1.6	Employer to Set Up A Voluntary Fund for Retirement Savings as An Extra Coverage for Retirement	Ibrahim et al. (2012)

3.9 Data Analysis Method

3.9.1 Descriptive Analysis

The used of descriptive analysis is to find out the basic characteristics of respondents like gender, age, marital status, education level, income level, occupational and method to increase awareness by counting, measuring, describing, tabulating, ordering and census taking sets of data (Chatfield & Collins, 2018). There are mean, median, mode, standard deviation, variance and standard error. To have simple summaries of the data, this study will use this analysis to explain all the information in the form of graphs, charts, and histograms.

3.9.2 Reliability Analysis

Cronbach's Alpha is an internal quality metric and is used as a measure of the reliability of two or more measures of the construction (Cronbach, 1951). Coefficient alpha values range from zero to one. The reliability of individual items is considered adequate and reliable, with the Cronbach Alpha value exceeding 0.7 (Cronbach, 1951). Table 3.3 showed the rule of thumb for evaluating alpha coefficients (Chatfield & Collins, 2018).

Table 3. 3: Rules of Thumb for Evaluating Alpha Coefficients

Alpha Coefficient Range	Strength of Association
< 0.6	Poor
0.6 to < 0.7	Moderate
0.7 to < 0.8	Good
0.8 to < 0.9	Very Good
≥ 0.9	Excellent

3.9.3 Relative Important Index

According to Akadiri (2011), This technique was used for further analysis of research variables ratings responses. First, the SPSS was used to evaluate the appropriate frequencies of the graded variables (in percentage terms), which were then fed into Equation (3.1) to calculate the respective rank indices (RIs) of the variables.

$$RI = \sum w / AxN$$

where w, is the weighting given to each respondent on a scale of one to four, with one representing the lowest and four the maximum. A is the maximum weight, and N is the sample's total number. Depending on the relative index (RI) ranking, the

weighted average will be calculated for the two categories. The ranking index is labelled differently depending upon the context, e.g., “importance index”, “awareness index”, “frequency index” etc. This shows that the higher the RII price, the more relevant the sustainability requirements are, and vice versa. The distinction between RII and the consistent level of importance is calculated from the alteration background as indicated by Chen, Okudan, & Riley (2010). The grades of value they obtained from RII are as below:

Table 3. 4: Importance Level from RII

RII Values	Importance Level	
$0.8 \leq RII \leq 1$	High	H
$0.6 \leq RII \leq 0.8$	High – Medium	H-M
$0.4 \leq RII \leq 0.6$	Medium	M
$0.2 \leq RII \leq 0.4$	Medium – Low	M-L
$0 \leq RII \leq 0.2$	Low	L

3.10 Conclusion

Total 343 questionnaires were distributed in this chapter to youth in the Klang Valley of Malaysia. Those questions from the questionnaire are adjusted and used in previous studies. Nominal, ordinal and interval scales will be used to collect the data for this study. After that, data will be analysed by using frequency distribution, descriptive statistics, reliability test and relative importance index. The consequence of the analysis will be viewed in the following chapter.

CHAPTER 4

DATA ANALYSIS

4.1 Introduction

The study would reveal results of the report after analysing all the received data in this chapter. The explanation would be done to provide an overall image of the findings. In order to analyse all data, the researcher used the Statistical Package for Social Science (SPSS) version 16.0 software. Few analyses would be shown following sub-topic includes frequency distribution, descriptive analysis and relative importance index.

4.2 Descriptive Analysis

Refer to table 4.1, the survey conducted in this study had collected 343 copies of questionnaires by 302 respondents who have personal monthly income and are born in between 1979 and 2001. It excluded the 41 respondents who did not meet the criteria and 42 questionnaires for pilot test as the analysis for the 42 questionnaires has shown in the previous chapter, the section of the pilot test. Therefore, all those 302 questionnaires will be used in this study for further analysis. The result and analysis will be shown in the upcoming section.

Table 4. 1: Questionnaire Distribution and Collection

		Frequency	Percentage (%)
Valid	Yes	302	88%
	No	41	12%
	Total	343	100%

4.2.1 Demographic Profile of the Respondents

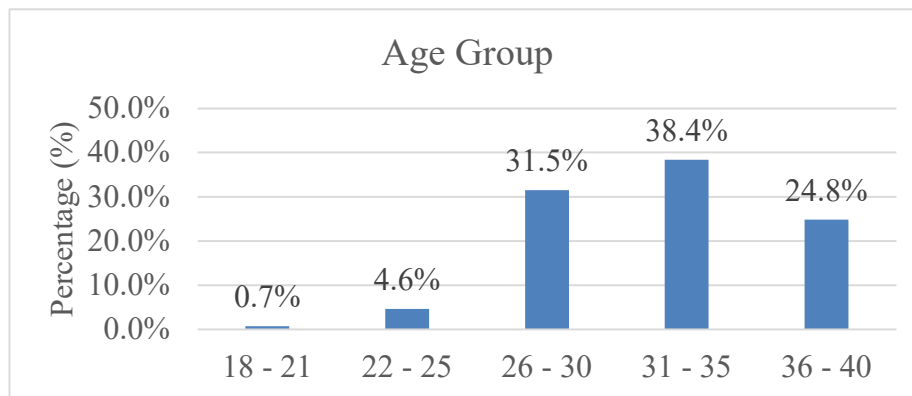
The first section normally is to fact finding the demographic profile of the respondents which includes gender, age group, marital status, highest education level, monthly income level and occupational.

Table 4. 2: Gender

Gender	Frequency	Percentage (%)
Male	124	41%
Female	178	59%
Total	302	100%

The above table 4.2 shown that most of the respondents are female (59 percent) and 41 percent of the respondents are male.

Figure 4. 1: Age Group



From the figure 4.1, the researcher categories 5 different age group in the questionnaire. The majority of respondents are between age 31 – 35 which obtained approximately 38.4 percent. Followed by respondents in age between 26 – 30 with 31.5 percent. There are 24.8 percent of respondents are age between 36 – 40 and 4.6 percent of respondents are age between 22 – 25. However, the least respondents in this study are in the age below 22 that are only 2 respondents with 0.7 percent. This also indicates that most youngster in between age 18 – 25 most likely are still studying or looking for job in Greater KL area.

Figure 4. 2: Marital Status

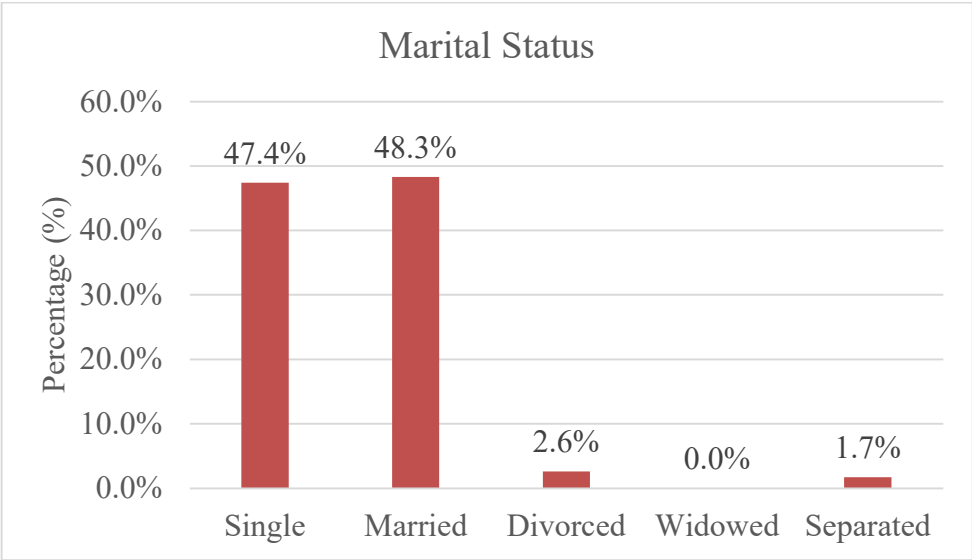
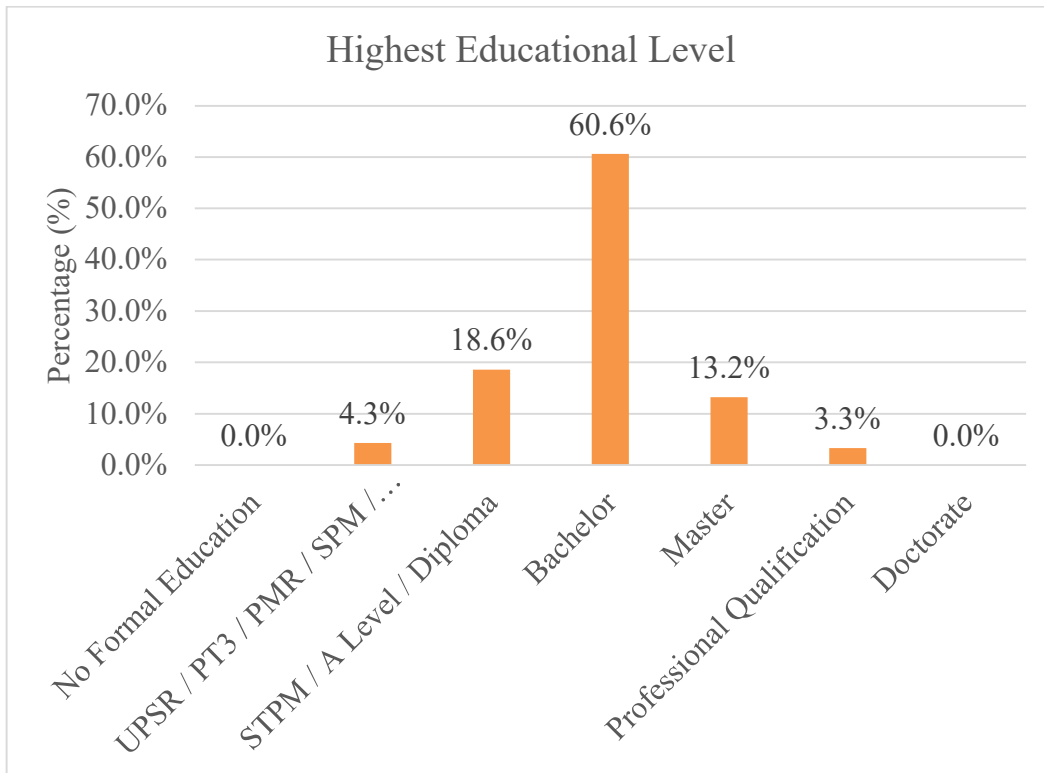


Figure 4.2 illustrated that majority of respondents are married which obtained 48.3 percent. Whereas, the second highest of the respondent’s marital status are single which is approximately 47.4 percent. Followed by the third major of respondent’s marital status is divorced which obtained 2.6 percent. On the other hand, minority of only 1.7 percent of respondents are separated. However, there are no respondent declared widowed in marital status.

Figure 4. 3: Highest Education Level



From the data collected in responded survey questionnaire, more than half of the respondents which 60.6 percent are holding bachelor degree certificate as their highest education. Following by 18.6 percent of respondents are holding Malaysian Higher School Certificate (also known as STPM) or A-Level or diploma certificate. Whereas, there are 13.2 percent of the respondents are holding master degree certificate for their highest education on current. The minority of the respondents are UPSR (Primary School Evaluation Test) / PT3 or PMR (Form 3 assessment) / SPM (Malaysian Certificate of Education) / O-Level (General Certificate of Education) which are approximately 4.3 percent and only 3.3 percent of respondents accomplished professional qualification. However, none of the respondents are without formal education nor doctorate.

Figure 4. 4: Personal Monthly Income Level

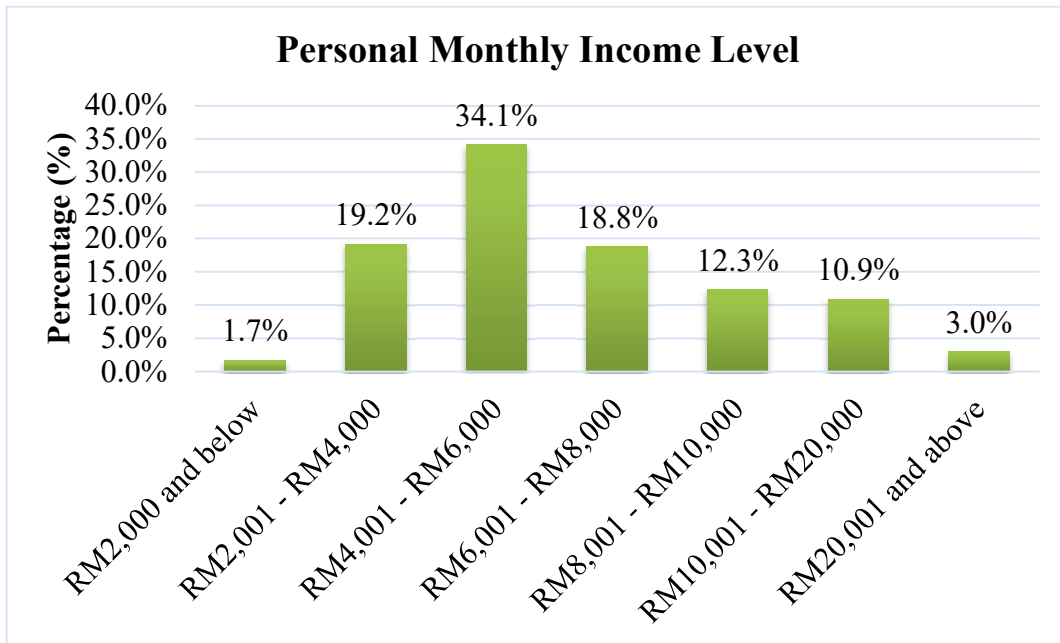
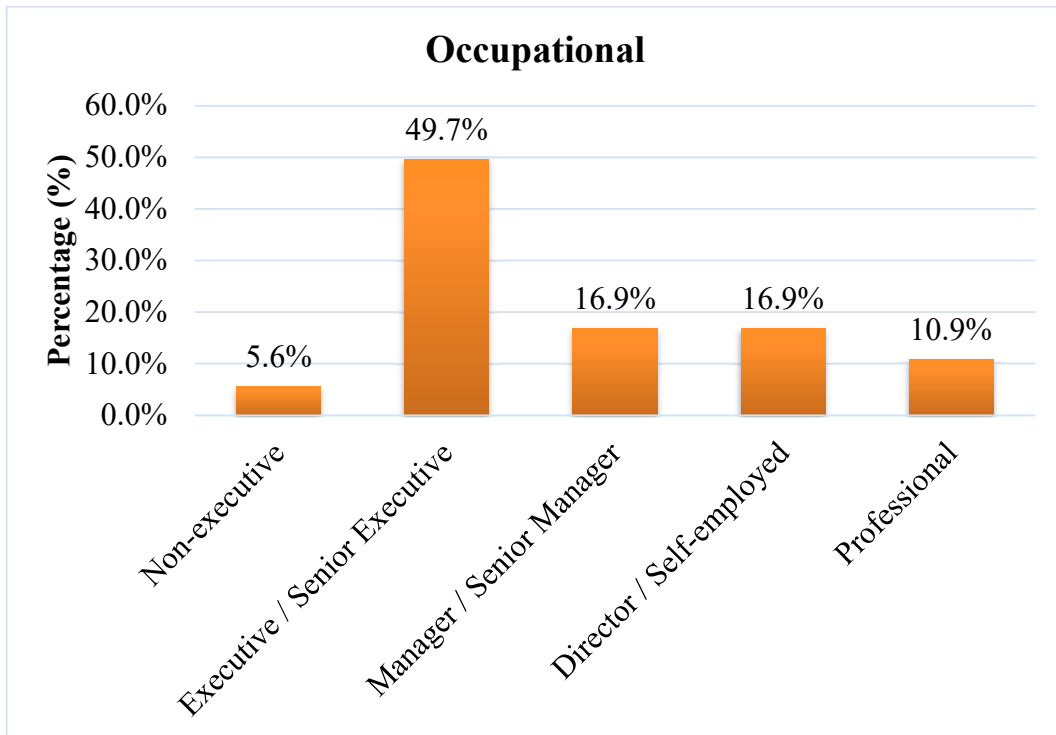


Figure 4.4 shown that most of the respondents earn RM4,001.00 to RM6,000.00 per month which is approximate 34.1 percent. Whereas, almost equal of respondents are earning RM2,001.00 to RM4,000.00 and RM6,001.00 to RM8,000.00 which is 19.2 percent and 18.8 percent respectively. Following by 12.3 percent of respondents are earning RM8,001.00 to RM10,000.00 and 10.9 percent of respondents earning RM10,001.00 to RM20,000.00. Furthermore, there are 3 percent of respondents are having income of more than RM20,001.00 per month. However, only minority of respondents are earning below RM2,000.00 in a month.

Figure 4. 5: Occupational



Based on the analysis result, the most working position that respondents are executive or senior executive which is approximate 49.7 percent. The respondents whom working as manager or senior manager or director or self-employed are having equal number of respondents which is 16.9 percent. Besides, there are 10.9 percent of respondents are working as a professional such as accountant, doctor, lawyer and etc. However, the minority of respondents are working as non-executive which approximate 5.6 percent.

4.2.2 Descriptive Statistic Measurement of Constructs

Table 4. 3: Descriptive Statistic of Independent Variable

	A	SB	SS	FL	AI	SI	T
N Valid	302	302	302	302	302	302	302
Missing	0	0	0	0	0	0	0
Mean	3.2252	3.2735	2.9126	3.4179	3.0834	2.6609	2.8245
Median	3.2000	3.2000	3.0000	3.4000	3.0000	2.6000	2.8000
Mode	3.20	3.00	2.60	3.00	3.00	2.60	2.80
Std. Deviation	.52842	.49800	.53828	.41445	.44817	.68043	.55936
Variance	.279	.248	.290	.172	.201	.463	.313
Skewness	-.533	-.279	-.035	-.260	-.255	.038	-.110
Std. Error of Skewness	.140	.140	.140	.140	.140	.140	.140
Kurtosis	-.207	-.611	-.500	-.641	.116	-.121	.678
Std. Error of Kurtosis	.280	.280	.280	.280	.280	.280	.280
Range	2.40	2.00	2.40	1.80	2.20	3.00	3.00
Minimum	1.60	2.00	1.60	2.20	1.80	1.00	1.00
Maximum	4.00	4.00	4.00	4.00	4.00	4.00	4.00

(A = Awareness, SB = Saving Behaviour, SS = Social Security, FL = Financial Literacy, AI = Attitudes towards Investment, SI = Social Influences, T = Trust)

Awareness about Retirement Planning

Based on Table 4.3, the mean of awareness in this study is 3.2252 for the 302 respondents with a standard deviation of 0.5284, 3.2252 ± 0.5284 . The variance value is 0.279. The median value is 3.20 and near the mean value, therefore, the data is symmetrical distribution. The maximum value is 4.00 and minimum value is 1.60. The range is 2.40. Skewness value is -0.533, which is within 0. The Kurtosis value is -0.207, which is less than 1. Therefore, the data is symmetrical.

Saving Behaviour

The mean of saving behaviour (Table 4.3) in this study is 3.2735 for the 302 respondents with a standard deviation of 0.498, 3.2735 ± 0.498 . The variance value is 0.248. The median value 3.20 and near the mean value, therefore, the data is symmetrical distribution. The maximum value is 4.00 and minimum value is 2.00. The range is 2.00. Skewness value is -0.279, which is within 0. The Kurtosis value is -0.611, which is less than 1. Therefore, the data is symmetrical.

Social Security

From table 4.3, the result of descriptive statistic indicated that the mean of social security is 2.9126 for the 302 respondents with a standard deviation of 0.5383, 2.9126 ± 0.5383 . The variance value is 0.290. The median value 3.00 and near the mean value, therefore, the data is symmetrical distribution. The maximum value is 4.00 and minimum value is 1.60. The range is 2.40. Skewness value is -0.035, which is within 0. The Kurtosis value is -0.500, which is less than 1. Therefore, the data is symmetrical.

Financial Literacy

Table 4.3 shows that the mean of financial literacy is 3.4179 for the 302 respondents with a standard deviation of 0.4145, 3.4179 ± 0.4145 . The variance value is 0.172. The median value 3.4 and near the mean value, therefore, the data is symmetrical distribution. The maximum value is 4.00 and minimum value is 2.20. The range is 1.80. Skewness value is -0.26, which is within 0. The Kurtosis value is -0.641, which is less than 1. Therefore, the data is symmetrical.

Attitudes towards Investment

In this study, the result from table 4.3 indicated that the mean of attitudes towards investment is 3.0834 for the 302 respondents with a standard deviation of 0.4482, 3.0834 ± 0.4482 . The variance value is 0.201. The median value 3.000 and near the mean value, therefore, the data is symmetrical distribution. The maximum value is 4.00 and minimum value is 1.80. The range is 2.20. Skewness value is -0.255, which

is within 0. The Kurtosis value is 0.116, which is less than 1. Therefore, the data is symmetrical.

Social Influences

The mean of social influences in this study (Table 4.3) is 2.6609 for the 302 respondents with a standard deviation of 0.6804, 2.6609 ± 0.6804 . The variance value is 0.463. The median value 2.600 and near the mean value, therefore, the data is symmetrical distribution. The maximum value is 4.00 and minimum value is 1.00. The range is 3.00. Skewness value is 0.038, which is within 0. The Kurtosis value is -0.121, which is less than 1. Therefore, the data is symmetrical.

Trust

Based on Table 4.3, the mean of trust in this study is 2.8245 for the 302 respondents with a standard deviation of 0.5594, 2.8245 ± 0.5594 . The variance value is 0.313. The median value 2.800 and near the mean value, therefore, the data is symmetrical distribution. The maximum value is 4.00 and minimum value is 1.00. The range is 3.00. Skewness value is -0.110, which is within 0. The Kurtosis value is 0.678, which is less than 1. Therefore, the data is symmetrical.

4.2.3 Relative Importance Index (RII)

Table 4. 4: Ranking Criteria of Factors Affecting Youth Perception towards Retirement Planning

Item	Questions	RII	Ranking by Category	Overall Ranking	Importance Level
B1	<u>Awareness about Retirement Planning</u>				
1	Retirement planning is important for me	0.72	1	2	H-M
2	I participate in workshops/seminars on retirement planning.	0.56	5	25	M
3	I have a clear understanding of financial issues for retired people.	0.62	4	18	H-M
4	I save to prepare for my old age.	0.64	3	14	H-M
5	Inflation is an important consideration in my retirement planning.	0.69	2	8	H-M
B2	<u>Saving Behaviour</u>				
1	I put money aside on a regular basis for the future.	0.63	3	15	H-M
2	I keep track of my money.	0.62	4	17	H-M
3	I should start saving as early as possible	0.7	2	3	H-M
4	Parents have vital roles in affecting children's	0.73	1	1	H-M

	financial behavior in adulthood				
5	I save as much as possible and only to spend money on things that are strictly necessary.	0.59	5	22	M
B3	<u>Social Security</u>				
1	The EPF/PRS saving/Pension Scheme is not sufficient for my retirement	0.69	1	6	H-M
2	I do save my money in PRS for my retirement	0.54	4	28	M
3	I think saving in PRS can get better return than EPF	0.52	5	32	M
4	I am satisfied to the contribution rate that mandatory for employee to save in EPF	0.6	2	19	M
5	I am satisfied on the dividend distributed to my EPF	0.56	3	24	M
B4	<u>Financial Literacy</u>				
1	I have money available in the event of another economic depression	0.67	3	10	H-M
2	I set long term financial goals and strive to achieve the	0.7	1	4	H-M
3	I pay my bills on time	0.69	2	9	H-M

4	I plan earlier how my money will be used in the next 1–2 years.	0.66	4	12	H-M
5	Being careful with money is an important character trait.	0.7	1	5	H-M
B5 <u>Attitudes towards Investment</u>					
1	In general, safe investments offer lower returns	0.69	1	7	H-M
2	Speculative trading is a good way to invest for retirement	0.52	5	30	M
3	I will do my own research before I invest.	0.66	2	12	H-M
4	I will seek advice from financial consultants before I invest.	0.63	3	16	H-M
5	I will seek advice from family members before I invest.	0.59	4	20	M
B6 <u>Social Influences</u>					
1	I usually discuss with my friends about retirement planning.	0.5	4	35	M
2	I will enrol in retirement planning if my friends or colleagues do so	0.52	3	33	M
3	Information from social medias are important for	0.56	1	26	M

	decision making in retirement planning				
4	Information from friends or colleagues are important for decision making in retirement planning	0.56	1	27	M
5	I learnt from my friends or colleagues on how to do retirement planning	0.53	2	29	M
B7	<u>Trust</u>				
1	I am confident to the fund performance of financial companies	0.52	4	31	M
2	I am confident to the investment return in EPF	0.57	3	23	M
3	I feel my money is safe to invest in private financial companies for my retirement	0.51	5	34	M
4	I feel my money is safe in EPF	0.59	2	21	M
5	The ability to compare investment products would increase confidence level of investors	0.64	1	13	H-M

According to Akadiri (2011), five importance levels are transformed from RI values: high (H) ($0.8 \leq RI \leq 1$), high-medium (H-M) ($0.6 \leq RI \leq 0.8$), medium (M) ($0.4 \leq RI \leq 0.6$) and low (L) ($0 \leq RI \leq 0.2$).

Table 4.4 indicates that the factors' Relative Significance Index (RII) along with the related rankings and their level of significance. From the ranking table, it is apparent that eighteen (18) requirements have been classified as "high-medium" grades of significance, which are considered of primary importance among other factors affecting youth understanding of retirement planning. Such "High-Medium" Relative Index (RII) metrics are within 0.72-0.62. These high-medium ranking criteria include awareness towards retirement planning, saving behaviour, social security, financial literacy, attitudes toward investment, and trust. These 18 indicators are B2.4: Parents have vital roles in affecting children's financial behaviour in adulthood, B1.1: Retirement planning is important for me, B2.3: I should start as early as possible, B4.2: I set long term financial goals and strive to achieve them, B4.5: Carefulness with money is an important trait of character, B3.1: The EPF/PRS saving/Pension Scheme is not sufficient for my retirement, B5.1: In general, safe investments offer lower returns, B1.5: Inflation is an important consideration in my retirement planning, B4.3: I pay my bills on time, B4.1: I have money available in the event of another economic depression, B4.4: I plan earlier how my money will be used in the next 1-2 years, B5.3: I will do my own research before I invest, B7.5: The ability to compare investment products would increase confidence level of investors, B1.4: I save to prepare for my old age, B2.1: I put money aside on a regular basis for the future, B5.4: I will seek advice from financial consultants before I invest, B2.2: I keep track of my money, B1.3: I have a clear understanding of financial issues for retired people. "Parents have vital roles in affecting children's financial behaviour in adulthood" was ranked as the highest priority among all the criteria as listed in Table 4.3. It has an RII value of 0.73. It is considered as the most important aspects affecting youth perception towards retirement planning.

The second highest measure has been classified as "retirement planning is important to me" with an RII of 0.72. It is a very close second place. This shows its importance in the awareness towards retirement planning. It also represents that the respondents think that retirement planning is important to them. The second runner-up is the "I should start saving as early as possible" having RII value of 0.7. In addition, the

rating analysis found that among the top 18 variables, four factors of awareness about retirement planning, four factors of saving behaviour, one factor of social security, five factors of financial literacy, three factors of attitudes towards investment and one factor of trust were classified as "High-Medium" priority indicators. In terms of their average RII, awareness about retirement planning scored 0.6675, saving behaviour scored of RII 0.67, social security scored 0.69, financial literacy scored 0.684, attitudes towards investment scored RII 0.66 and trust scored 0.64 respectively.

Apart from "High-Medium" criteria in table 4.3, the remaining 17 factors were grouped into "Medium" importance scale. This includes one factor of awareness about retirement planning, one factor of saving behaviour, four factors of social security, two factors of attitudes towards investment, five factors of social influences and four factors of trust. On an average, "Medium" RII value for main factors of awareness about retirement planning is 0.56, saving behaviour is 0.59, social security and attitudes towards investment have same average score of 0.555, social influences is 0.534 and trust is 0.548. The important factors of these category includes B3.4: I am satisfied to the contribution rate that mandatory for employee to save in EPF, B5.5: I will seek advice from family members before I invest, B7.4: I feel my money is safe in EPF, B2.5: I save as much as possible and only to spend money on things that are strictly necessary, B7.2: I am confident to the investment return in EPF, B1.2: I participate in workshops/seminar on retirement planning, B3.6: Information from social medias are important for decision making in retirement planning, B6.4: Information from friends or colleagues are important for decision making in retirement planning, B3.2: I do save my money in PRS for my retirement, B6.5: I learnt from my friends or colleagues on how to do retirement planning, B5.2: Speculative trading is a good way to invest for retirement, B7.1: I am confident to the fund performance of financial companies, B3.3: I think saving in PRS can get better return than EPF, B6.2: I will enrol in retirement planning if my friends or colleagues do so, B7.3: I feel my money is safe to invest in private financial companies for my retirement and B6.1: I usually discuss with my friends about retirement planning. The above listed criteria have determined the ranking indicators for the factors affecting youth perception towards retirement planning. It has been

established based on above analysis that all factors were ranked with “High-Medium” or “Medium” importance level.

4.2.4 Knowledge Level of Retirement Planning Among Youth

Table 4. 5: Knowledge Level of Retirement Planning Among Youth

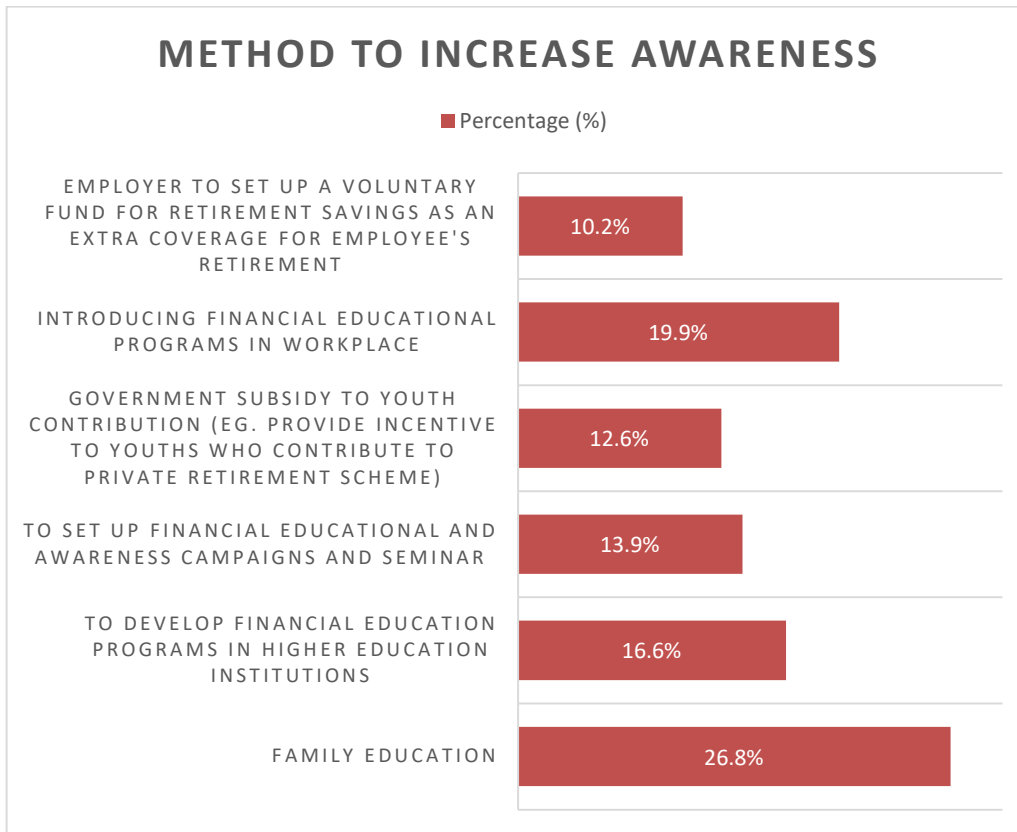
Rank	Questions	Mean
1	I save to prepare for my old age.	3.182
2	I participate in workshops/seminars on retirement planning.	2.805
3	I have a clear understanding of financial issues for retired people.	3.109
4	Inflation is an important consideration in my retirement planning.	3.437
5	Retirement planning is important for me	3.593

According to Zaihan (2017), better knowledge level is to take action rather than just understanding the meaning or importance of retirement planning. As such, the researcher ranked the factor of “I save to prepare for my old age” as first ranking, “I participate in workshops / seminars on retirement planning as second ranking, “I have a clear understanding of financial issues for retired people” as third ranking, “Inflation is an important consideration in my retirement planning” as forth ranking and “Retirement planning is important for me” as fifth ranking.

Based on the table 4.5, the result shows that the first ranked factor has a mean value of 3.182, second ranked factor has the lowest mean value of 2.805, third ranked factor scored a mean value of 3.109, forth ranked factor scored a mean value of 3.437 and fifth ranked factor has the highest mean value of 3.593.

4.2.5 Most Suitable Methods to Increase the Awareness About Retirement Planning Among Youth

Table 4. 6: Methods to Increase Awareness about Retirement Planning Among Youth



From the data collected in Section C of the questionnaire shown in table 4.6, 26.8 percent of the respondents suggested that the most suitable method to increase the awareness on retirement planning to youth is family education. Following by method of introducing financial educational programs in workplace which has obtained 19.9 percent. The third preferred method to increase awareness about retirement planning among youth is to develop financial education programs in higher education institutions which has obtained 16.6 percent. Furthermore, 13.9 percent of respondent think that set up financial educational and awareness campaigns and seminar is important to increase awareness. Government subsidy to youth contribution voted by 12.6 percent of respondents to increase awareness. However,

only 10.2 percent of respondents think that employer to set up a voluntary fund for retirement savings as an extra coverage for employee's retirement is a suitable method to increase awareness about retirement planning among youth.

4.3 Conclusion

According to the analysis above, data proposed that all sample items from the questionnaire were reliable. The demographic profile of the respondents was summarized in the descriptive analysis into tables and graphs, and the construct measurements of the seven variables were also tabulated into tables. After that, relative importance index of all factors was tabulated with ranking by categories, overall ranking and important level. Besides, the analysis of knowledge level about retirement planning was clearly listed with the mean value. And lastly, the researcher used frequency distribution to find the data of methods to increase awareness about retirement planning among youth.

In the Chapter 5, the findings of Chapter 4 are discussed and its implication on theories, limitations, recommendations and future study are highlighted and presented in a proper sequence.

CHAPTER 5

DISCUSSION AND CONCLUSION

5.1 Introduction

Data analysis was carried out in Chapter 4 and objectives reviewing will be discussed in this chapter. Besides that, the researcher has also put in his point of view regards to the implication of this study. The limitation of this research project will also be discussed as well as the recommendations for further study. The research regarding to methods to increase awareness about retirement planning should be discussed and reviewed periodically. More in-depth research is necessary to be done to increase the awareness to youth.

5.2 Summary of Research Findings

As mentioned in Chapter 1, several objectives were identified to achieve the aim in this study about youth perceptions towards retirement planning in Malaysia. The objectives of this study include: (1) To investigate the major factors affecting young adult's decisions on retirement planning, (2) To examine the knowledge level of retirement planning among youth, (3) To propose methods to increase the awareness and importance of retirement planning to young generation group.

From the result of analysis shows in this study, the factor of parents have vital roles in affecting children's financial behaviour in adulthood in category of awareness about retirement planning was the main factor affecting youth perception towards retirement planning which ranked first by most of respondents. Fajar & Syamlan (2018) in their study also father and mother have a crucial role to educate their children to behave appropriately in life including managing monetary. Besides that, Kadir et al. (2015) indicates that parent socialization has a strongest influence towards saving behaviour among student of UiTM Malacca City campus. Furthermore, Kimiyaghalam, Mansori, Safari, & Yap (2017) demonstrate that parents need to be aware of the impact of their influence on the actions of their children.

From the result of respondents' knowledge level towards retirement planning. Many Respondents know that retirement planning is important for them but only some are really took action to start saving or participated in workshops for retirement planning as the mean scored for fourth and fifth ranked questions are high but the first and second ranked questions has a lower mean scored. This supported by the study of R. L. Clark et al. (2019) & Zaihan (2017) claimed that many respondents had good knowledge about retirement planning but that it did not eventually become practice due to timing in retirement planning.

According to the research of this study, it can be concluded that family education is the most suitable methods to increase awareness of retirement planning. Kimiyaghalam, Mansori, Safari, et al. (2017) mentioned that informing parents about personal finances should be encouraged by family life educators and financial management educators and thus enhance family health, including financial planning.

5.3 Implications of Study

This study has several major implications for employer, policy maker, financial advisor and other related parties, the results reveal that parents have significance effect on children's behaviour. Educators in family life and financial management should take this idea and teach parents through their lesson plans. In addition, parents should encourage children to talk about their financial issues, save your pocket money and include them in financial decision-making for the family. Parents should learn that their strategy to tackle with financial issues and their saving patterns for future might be the first financial lesson for the children. On the other hand, financial advisors, and planners should identify their niche market to dispense their professional services on financial planning for retirement planning strategies. Realizing individual's behavioural factors will improve financial planners' predictions about how people will react to incentives.

The policy makers can derive the benefits from the results of this study. The findings highlight the role of financial literacy in retirement planning. It is essential to encourage financial education and raise awareness at the national level since it motivates a broader culture of financial education and persuades the whole population. Any policy with the goal of improving retirement planning must consider that "one size does not fit all" and therefore that different solution should be designed for different target groups.

5.4 Limitation of the Study

Some limitations had been found along the study, firstly the study was restricted to Malaysians working young adult and living in the Greater KL area so it may not be representative of the overall Malaysian population. This study tried to mitigate the impact this limitation by collecting data from different parts of Klang Valley includes Selangor, Kuala Lumpur, Putrajaya and Klang.

Secondly, one of the disadvantages of survey approach is that the respondents may answer the questionnaire without in-depth thinking. The researcher believes that the quality of information can be improved by conduct face-to-face interview randomly.

Thirdly, since this research is a type of behavioural study, choosing significant factors for making an appropriate framework by considering time and content were crucial. The selecting behavioural factors were based on literature review thus proposed framework could be more accurate and comprehensive by adding more variables.

Last but not least, most of the respondents from the data collection were imbalance where majority are age between 26 to 35 and only minimum in age between 18 to 25. The imbalance of respondents age might affect the accuracy of the result as different age group might have much different in their perceptions. It is possible that the youth who in age 18 to 25 are still studying in college or university or currently have no income and looking for a job.

5.5 Recommendation for Future Studies

There are few suggestions that the researchers suggested to the future researchers who plan to execute a similar study about youth perception towards retirement planning. Firstly, the researcher suggested to increase the sampling location for the data collection, which can be included young working adults who are working other state such as Sabah, Sarawak, Johor, Penang and etc. As this will not only increase the sample size to ensure the veracity of the final result, but also make the data obtained more compelling as the target population of the study is the youth., even Kuala Lumpur is the capital city of Malaysia but still cannot represent to the whole Malaysia.

Secondly, there are many data collection methods such as interviews could be used in further future research as a complementary alternative to the questionnaire to improve the quality of data collection. Besides, filling up questionnaire on the spot can make the results tend to be more accurate and reliable as the researcher can provide clarification to respondents who have queries on the spot.

Thirdly, the future researchers should make sure the age group are balance or setting a more accurate age group to improve the quality of research. The research would recommend that the future researchers could increase the youth age group or exclude the condition of having personal income.

5.6 Conclusion

In this chapter, it contains the whole report being summarised in statistical analysis based on the findings and explanation in details. All the concepts and variables of the factors affecting youth perception towards retirement planning were based on past empirical studies. 302 respondents participated in this study and data collected were tested using frequency distribution, descriptive statistics and relative importance index using SPSS software.

Based on the analysis result, it can be concluded that family education is crucial for young generation aware about retirement planning. The parents shall not only supervise their children on their homework or school result but also to be a good example of having well planning on financial management.

Lastly, there are also some limitations and suggestions for future researchers who plan to study in the similar area. In a nutshell, all the findings had responded to the research questions, and the objectives of this study had been achieved as well.

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Appendix A: Questionnaire



UNIVERSITI TUNKU ABDUL RAHMAN
FACULTY OF ACCOUNTANCY AND
MANAGEMENT
MASTER OF BUSINESS ADMINISTRATION

Youth Perception Towards Retirement Planning in Malaysia

I am currently pursuing Master of Business Administration (MBA) at Universiti Tunku Abdul Rahman (UTAR). As part of the fulfilment of my MBA Final Year Project, I am required to conduct this research and I appreciate your co-operation in order to complete the survey.

The purpose of this study is to investigate the major factors affecting young adult's decisions on retirement planning. It is because most Malaysian do not prepare or save or invest adequately for retirement and old age. Hence, this study can be as a reference to society and relevant industry to increase the awareness of retirement planning among youth.

This questionnaire consists of two parts. Section A, consists of questions related to demographic characteristics and Section B, consists of questions related to factors affecting youth perception towards retirement planning in Malaysia. I would be grateful if you could take 15 minutes to fill the questionnaire. Your answers are extremely valuable and certainly make an important contribution to this study. All the information collected is for research purposes and will be kept confidential.

Thank you.

Yours Sincerely,

Leong Pik Lin, UTAR student ID: 18UKM07393 (leong_piklin@yahoo.com)

**A STUDY OF YOUTH PERCEPTION TOWARDS RETIREMENT
PLANNING IN MALAYSIA**

Section A : Demographic Characteristics

(i) Gender

	Female
	Male

(ii) Age

	18 – 21
	22 – 25
	26 – 30
	31 – 35
	36 – 40

(iii) Marital Status

	Single
	Married
	Divorced
	Widowed
	Separated

(iv) Highest Education Level

	No Formal Education
	UPSR / PT3 / PMR / SPM / O Level
	STPM / A Level / Diploma
	Bachelor

	Master
	Professional Qualification
	Doctorate

(v) Personal Monthly Income Level

	RM2,000.00 and below
	RM2,001.00 – RM4,000.00
	RM4,001.00 – RM6,000.00
	RM6,001.00 – RM8,000.00
	RM8,001.00 – RM10,000.00
	RM10,001.00 and above

(vi) Occupational

	Non-executive / Executive
	Manager
	Director / Self-employed
	Professional

Section B

Please circle the most appropriate answer that represents your best interest from the statement. The selection band is range from 1 to 5, which 1 is *strongly disagree* while 4 is *strongly agree*.

(1 = *Strongly Disagree*; 2 = *Disagree*; 3 = *Agree*; 4 = *Strongly Agree*)

No	Questions	Strongly Agree	Agree	Disagree	Strongly Disagree
B1	Awareness about Retirement Planning				
1.	Retirement planning is important for me	4	3	2	1
2.	I participate in workshops/seminars on retirement planning.	4	3	2	1
3.	I have a clear understanding of financial issues for retired people.	4	3	2	1
4.	I save to prepare for my old age.	4	3	2	1
5.	Inflation is an important consideration in my retirement planning.	4	3	2	1
B2	Saving Behavior				
1.	I put money aside on a regular basis for the future.	4	3	2	1
2.	I keep track of my money.	4	3	2	1
3.	I should start saving as early as possible	4	3	2	1
4.	Parents have vital roles in affecting children's financial behavior in adulthood	4	3	2	1
5.	I save as much as possible and only to spend money on things that are strictly necessary.	4	3	2	1
B3	Social Security				
1.	The EPF/PRS saving/Pension Scheme is not sufficient for my retirement	4	3	2	1
2.	I do save my money in PRS for my retirement	4	3	2	1

3.	I think saving in PRS can get better return than EPF	4	3	2	1
4.	I am satisfied to the contribution rate that mandatory for employee to save in EPF	4	3	2	1
5.	I am satisfied on the dividend distributed to my EPF	4	3	2	1
B4	Financial Literacy				
1.	I have money available in the event of another economic depression	4	3	2	1
2.	I set long term financial goals and strive to achieve the	4	3	2	1
3.	I pay my bills on time	4	3	2	1
4.	I plan earlier how my money will be used in the next 1–2 years.	4	3	2	1
5.	Being careful with money is an important character trait.	4	3	2	1
B5	Attitudes towards Investment				
1.	In general, safe investments offer lower returns	4	3	2	1
2.	Speculative trading is a good way to invest for retirement	4	3	2	1
3.	I will do my own research before I invest.	4	3	2	1
4.	I will seek advice from financial consultants before I invest.	4	3	2	1
5.	I will seek advice from family members before I invest.	4	3	2	1
B6	Social Influences				
1.	I usually discuss with my friends about retirement planning.	4	3	2	1
2.	I will enrol in retirement planning if my friends or colleagues do so	4	3	2	1
3.	Information from social medias are important for decision making in retirement planning	4	3	2	1

4.	Information from friends or colleagues are important for decision making in retirement planning	4	3	2	1
5.	I learnt from my friends or colleagues on how to do retirement planning	4	3	2	1
B7	Trust				
1.	I am confident to the fund performance of financial companies	4	3	2	1
2.	I am confident to the investment return in EPF	4	3	2	1
3.	I feel my money is safe to invest in private financial companies for my retirement	4	3	2	1
4.	I feel my money is safe in EPF	4	3	2	1
5.	The ability to compare investment products would increase confidence level of investors	4	3	2	1

Section C : Questions Related to Increase Awareness about Retirement Planning

In your opinion, what is the most suitable method to increase the awareness about retirement planning among youth?

(Please choose one only)

	Family Education
	To Develop Financial Education Programs in Higher Education Institutions
	To Set Up Finance Educational and Awareness Campaigns and Seminar
	Government Subsidy to Youths Contribution eg. provide incentive to youths who contribute to private retirement scheme
	Introducing Financial Educational Programs in the Workplace
	Employer to Set Up A Voluntary Fund for Retirement Savings as An Extra Coverage for Retirement
	Other: <hr/> <hr/> <hr/> <hr/>

Appendix B: Ethical Approval for Research Project / Protocol



UNIVERSITI TUNKU ABDUL RAHMAN
Wholly Owned by UTAR Education Foundation (Company No. 578227-M)

Re: U/SERC/180/2019

6 September 2019

Ms Amalina binti Azmi
Department of Building and Property Management
Faculty of Accountancy and Management
Universiti Tunku Abdul Rahman
Jalan Sungai Long
Bandar Sungai Long
43000 Kajang, Selangor

Dear Ms Amalina,

Ethical Approval For Research Project/Protocol

We refer to your application for ethical approval for your research project (Master student's project) and are pleased to inform you that your application has been approved under expedited review.

The details of your research project are as follows:

Research Title	A Study of Youth Perception Towards Retirement Planning in Malaysia
Investigator(s)	Ms Amalina binti Azmi Leong Pik Lin (UTAR Postgraduate Student)
Research Area	Social Sciences
Research Location	Klang Valley
No of Participants	300 participants (Age: 18 - 40)
Research Costs	Self-funded
Approval Validity	6 September 2019 - 5 September 2020

The conduct of this research is subject to the following:

- (1) The participants' informed consent be obtained prior to the commencement of the research;
- (2) Confidentiality of participants' personal data must be maintained; and
- (3) Compliance with procedures set out in related policies of UTAR such as the UTAR Research Ethics and Code of Conduct, Code of Practice for Research Involving Humans and other related policies/guidelines.

Kampar Campus : Jalan Universiti, Bandar Barat, 31900 Kampar, Perak Darul Ridzuan, Malaysia
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Website: www.utar.edu.my



Appendix B: Ethical Approval for Research Project / Protocol (Cont'd)

Should you collect personal data of participants in your study, please have the participants sign the attached Personal Data Protection Statement for your records.

The University wishes you all the best in your research.

Thank you.

Yours sincerely,



Professor Ts Dr Faidz bin Abd Rahman
Chairman
UTAR Scientific and Ethical Review Committee

c.c Dean, Faculty of Accountancy and Management
 Director, Institute of Postgraduate Studies and Research

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