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RETIREMENT INTENTION, RETIREMENT PLANNING AND THE PSYCHOLOGICAL WELL-BEING OF PRE-RETIREEES IN MALAYSIA

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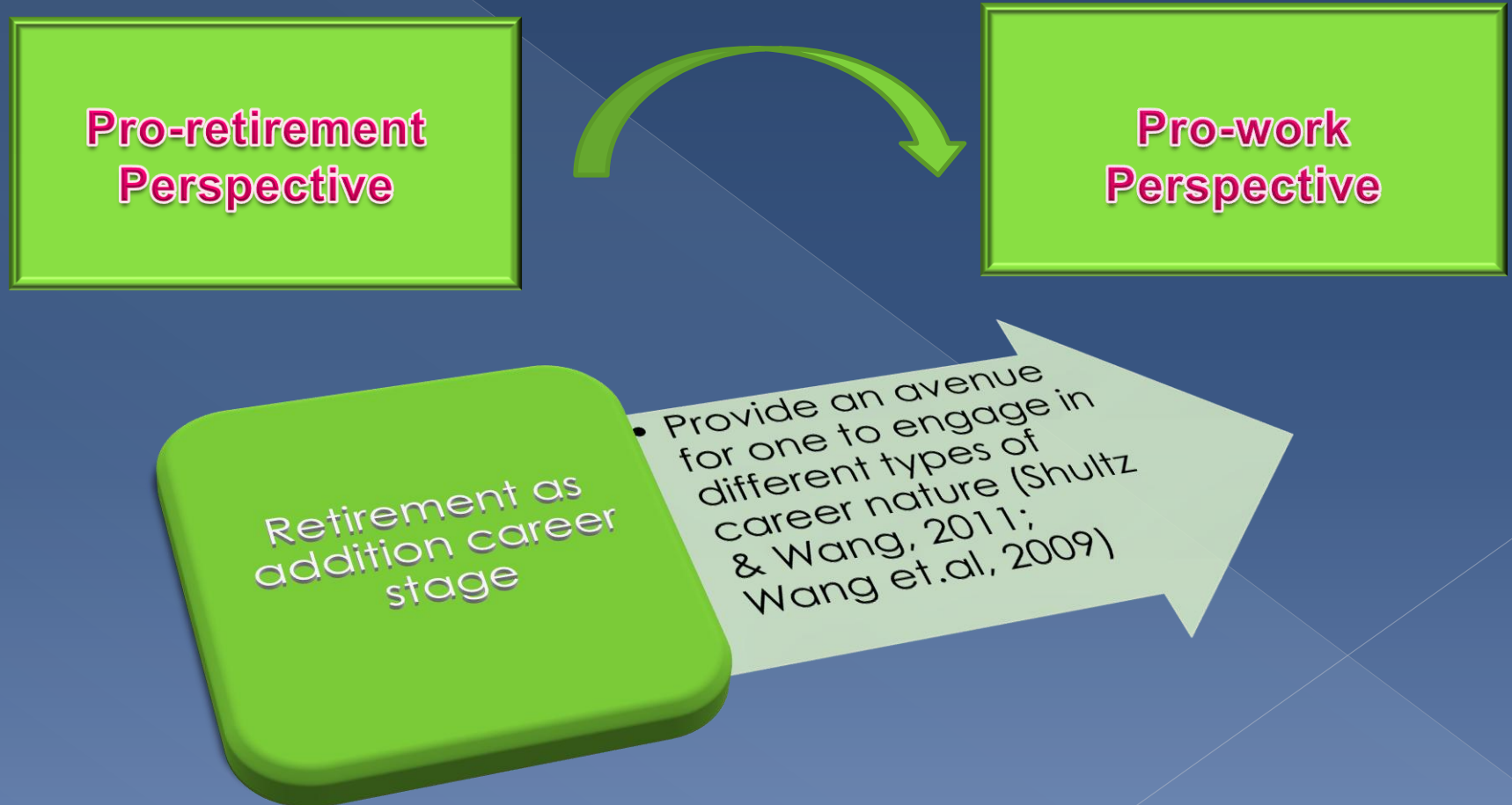
INTRODUCTION

- The Government of Malaysia has recently announced 60 years old as the mandatory retirement age for civil servants in Malaysia. The news led to mixed reactions among Malaysians, particularly those who are approaching the retirement age. Such scenario is another example of how the transition process to retirement can be either a depressing or a comfort phase for midlife individuals.

Retirement

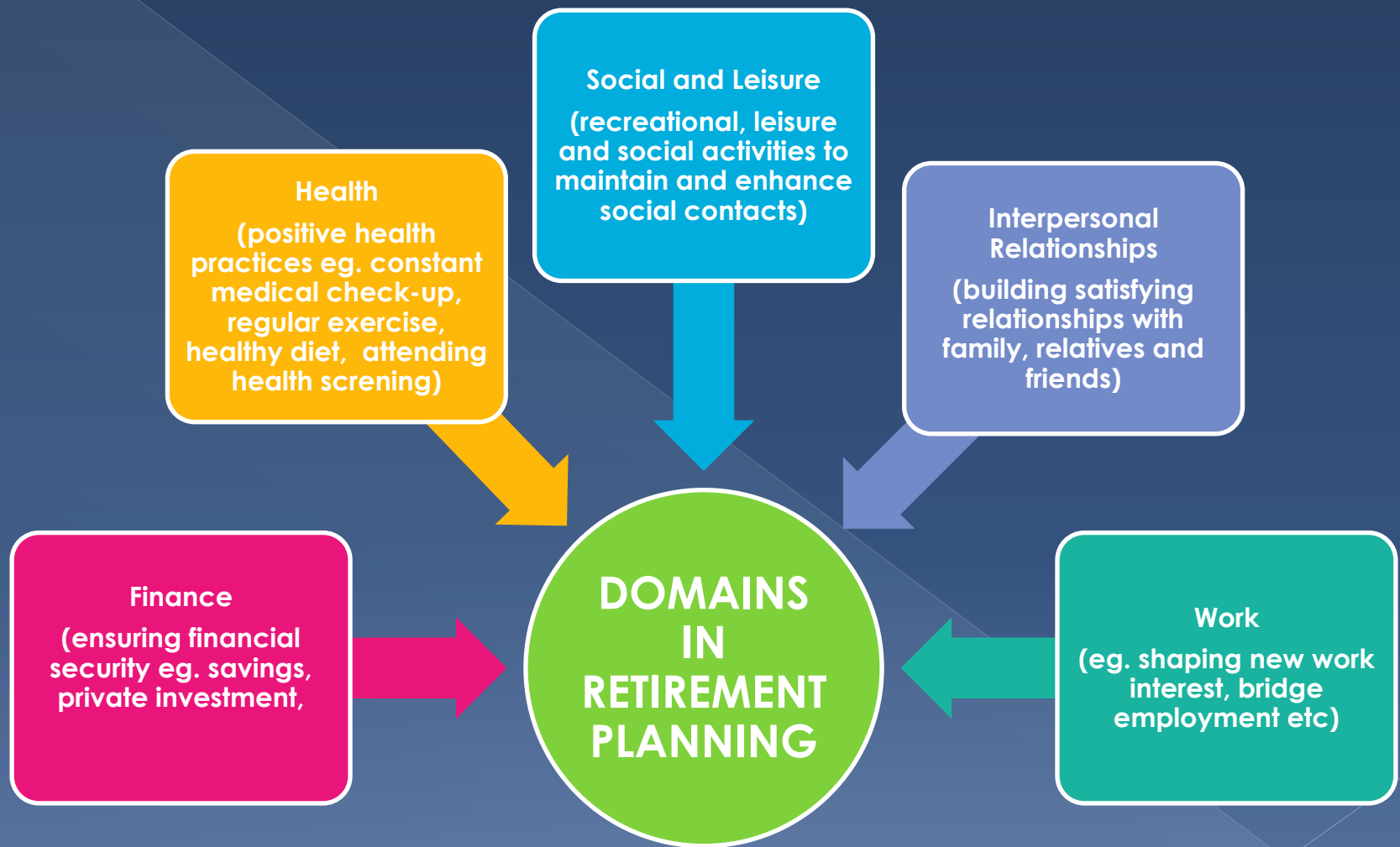
- ◎ The time when one ceases to perform his or her main job and begins to receive pension income from public or private sources (O'Rand and Henretta, 1999).
- ◎ The withdrawal of oneself from the office, service, or business, which subsequently leads to a less structured lifestyle with ample free time (Lawrence, 2003) .

Transition of Retirement Intentions in Developed Countries



Retirement Planning

- A good transition to retirement should be characterized with retirement planning.
- Good retirement planning allows maintenance of pre-retirement lifestyles, individual's level of confidence in achieving successful aging and better adjustment (Anderson, Li, Bechhofer, McCrone, & Stewart, 2000; Glass & Flynn, 2000; Kim & Moen, 2002).



Retirement Planning

- Recent studies have shown that retirement planning predicted well-being.
- Good retirement planning has been found to positively contribute to retirement satisfaction, better physical and mental health in later life (Noone, Stephens & Alpass, 2009; Panis, 2003; Reitzes & Mutran, 2004).

Psychological Well-Being

- Continuity Theory proposes that people who maintain earlier lifestyle, self-esteem, and values will not face maladjustment in post-retirement period.

Problem Statement and Objectives of the Study

- The scenario of retirement intentions, retirement planning and psychological well-being of pre-retirees is still understudied in Malaysia.
- The study aimed to identify the pattern of retirement intention, levels of retirement planning and psychological well-being of pre-retirees and correlations between these variables.

Methodology

- A cross-sectional study was conducted to examine retirement intention, retirement planning and the psychological well-being of pre retirees in Malaysia who were 45 years of age and over.
- Data were collected via questionnaires which contained four section including a section on demographic profile.

Retirement Planning Activities (Measure: RPQ11 by Muratore and Earl, 2010)
Healthy lifestyle***
Healthy mind***
Housing**
Pursuing leisure activities***
Making superannuation fund contributions**
Calling or visiting friends/families***
Superannuation fund performance**
Outings with friends/family***
New interests or skills***
Checking superannuation fund**
Health screening programs***
Insurance**
Savings contributions **
Estate planning **
Investment **
Net worth**
Living cost**
Nominating superannuation fund**
Financial planning seminars**
Post-retirement job (non-financial)**
Post-retirement job (financial)**
Leisure planning seminars***
Pensions *
Seniors health care card*
Seniors concession allowance*
Health concessions*
Government-run seminars*

* Public Protection Domain

** Self-Insurance Domain

*** Self-Protection Domain

CASP-19 as a Measure for Psychological Well-Being (Hyde et.al, 200

- CASP represents the domains of control, autonomy, self-realization, and pleasure.
- 19 indicates the total number of items.
- Response: A 4-point Likert-type scale ranging from 1 (*never*) to 4 (*often*).

Examples of questions:

- “I feel free to plan for the future”
(control)
- “I can do the things I want to do”
(autonomy)
- “I feel that life is full of opportunities”
(self-realization)
- “I enjoy being in the company of others”
(pleasure)

Data Analysis

- Both descriptive and inferential statistics were conducted in data analyses.
- Mean, standard deviation, percentage and frequency.
- Pearson Correlation Product Moment

RESULTS

DEMOGRAPHY

- 240 pre-retirees participated in the survey.
- 57.5% male and 42.5% female pre-retirees.
- 203 pre-retirees (94.9%) were in between 45-54 years old, and 11 (5.1%) were in between 55-64 years old.
- 92.1% were married and the rest were either divorced, single or separated.

DEMOGRAPHY

NUMBER OF DEPENDENTS	FREQUENCY	PERCENTAGE
0 PERSON	30	13.00
1 PERSONS	67	31.30
2 PERSONS	48	22.40
3 PERSONS	36	16.80
> 3 PERSONS	33	15.40
TOTAL	214	100.0

Retirement Intention: When the pre-retirees intend to retiree

Intend to retire in	Frequency	Percentage (%)
1 year	9	4.2
2 years	5	2.3
3 years	2	0.9
4 years	13	6.1
5 years or later	169	79.0
I don't know	16	7.5

Retirement Intention: Ideal Age of Retirement

Ideal Age of Retirement	Frequency	Percentage (%)
45-50	10	4.7
51-60	197	92.0
61-70	5	2.4
71-80	1	0.5
Do not know	1	0.5

Retirement Intention: Likelihood to Return to Paid Job after Retirement

Likelihood to return to paid job after they retire	Frequency	Percentage (%)
Don't know	44	20.6
Likely	62	28.9
Very likely	7	3.3
Unlikely	76	35.5
Very unlikely	25	11.7

RETIREMENT PLANNING

Levels	Frequency	Percentage (%)
Low	50	23.4
Moderate	130	84.1
High	34	15.9

Psychological Well-Being

Levels	Frequency	Percentage
Low	-	-
Moderate	77	35.7
High	137	64.3

Retirement Intentions, Psychological Well-Being and Retirement Planning

N=214

Variables		Retirement Planning
The likelihood to return to paid job after retirement	Pearson Correlation Sig. (1-tailed)	0.150* 0.014
Psychological Well-Being	Pearson Correlation Sig. (1-tailed)	0.015 0.414

*p < 0.05

Recommendations

- It is important to enhance pre-retirees awareness on the importance of every aspects in retirement planning.
- Pre-retirees should identify their retirement intentions, whether they would like to continue working (different career nature or setting) or settled down as retirees at home. It would help them to plan better.