

Chapter 8

Financial Stability or Instability in their Golden Years: An Analysis of the Financial Preparedness of Malaysians



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Abstract With the number of elderly (classified as those aged 65 and over) expected to double worldwide by 2050 to a projected 2.1 billion (United Nations 2017), the implications for a nation's socio-economic resources can be considered to be very critical. In Malaysia, the rise in the aging population is projected to reach 15.3% by 2030, a rise of almost 10% from the 2010 figure (DOSM 2016), with the majority of individuals not on a secure financial retirement footing. The Employees Provident Fund (EPF), which is the main source of income for a Malaysian upon retirement, announced that Malaysians do not have enough savings in their EPF accounts to support them through their 'golden years'. In line with the United Nations 2030 Agenda for Sustainable Development, this chapter focuses on Sustainable Development Goals 1 and 3, examining the factors which impact the financial preparedness of Malaysians and the implications for their families. Using a survey-based methodology among Malaysians aged up to 60 years of age across Malaysia, the chapter contributes to the current policy debate surrounding the financial well-being of individuals and presents practical implications for identified stakeholders including the government, financial service providers, the ageing population, and their families.

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