

ETHNIC DIFFERENCES IN THE PROBABILITY OF SAVING AND OWNING LAND AMONG THE ELDERLY IN MALAYSIA

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Abstract

Data from the 2004 Economic and Financial Aspects of Aging in Malaysia were used to examine factors associated with having savings and land ownership among the Malay, Chinese, and Indian elderly in Malaysia. Those with lower levels of education, income and self-reported health were less likely to have savings. Also, Indians were less likely than Malay or Chinese to have savings. Land ownership was more likely for those with higher income, larger family size, the widowed or separated and females. Indians were more likely than Malay or Chinese own land. Value of land holdings was significantly higher for the Chinese as compared to the Malay and Indians.

Introduction

Declining rates of fertility and mortality in Malaysia has resulted in a considerable increase in the absolute and relative number of elderly people in the population (Ong, 2003). The number of population aged 65 and above has grown from 658,500 (3.7% of the population) in 1990 to 1,008,200 (4.1% of the population) in 2002. It is projected that the number of

elderly aged 60 and above will reach 3.2 million by year 2020 (Economic Planning Unit, 2002). The increasing number of elderly foreshadows rise in the old-age dependency ratio from the 2000 ratio of 6.6 to an expected ratio of 13.2 in 2015 and 24.5 in 2050 (Abdel-Ghany, 2008).

While the Malaysian population is growing older, Malaysian family structure is also changing. Factors that have encouraged macro-economic development have contributed to an erosion of family commitment to filial piety (Caraher, 2008). Rising urbanization has led to geographical dispersion of family members and nuclear families are replacing extended family structures. Consequently, there is a concern regarding the ability of the traditional filial support system to continue to provide financial support and personal care for vulnerable elderly.

The most important non-familial support for the elderly in Malaysia is the Employee Provident Fund (EPF)¹. A few

¹ The EPF is an insurance-cum-retirement program analogous to a cross between and social security and workmen compensation in the United States. The main role of EPF is to provide financial security to its members beyond retirement. Under the system,

