

Financial Dependency of Older Person on Their Adult Children: A Case of Older Persons in Rural Kedah Malaysia

Wan Ibrahim Wan Ahmad, PhD^{1*} Noreliani Mohd Kashul² Nurul Farah Wahidah Abdullah Zawawi²
Farehah Mohd Fadzil²

1. Assoc. Professor, School of Applied Psychology, Social Work and Policy, Universiti Utara Malaysia, 06010
Sintok, Kedah, Malaysia

2. Post Graduate Students, School of Applied Psychology, Social Work and Policy, Universiti Utara Malaysia,
06010 Sintok, Kedah, Malaysia

*E-mail of the corresponding author: wanibrahimwanahmad@gmail.com

Abstract

One of the important issues in population aging is regarding the issues of financial dependency. The present paper aims at investigating the financial dependency of older persons in the village of Kubang Pasu, in the district of Kubang Pasu, Kedah, Malaysia. More specifically, the present paper analyzes (1): demographic and socioeconomic profiles of older persons in rural Kedah, Malaysia; (2): monthly income receives from children; (3): level of money dependency of older people on adult children; and (4): the relative importance of money sending from adult children in rural Kedah, Malaysia. This study was conducted in the village of Kubang Pasu, district of Kubang Pasu, one of the rural areas in the state of Kedah, Malaysia. This paper is basically employed a descriptive research design. It is used when a researcher seeks a better understanding and measure how variables are naturally distributed. Data for the study were collected through structured and unstructured interviews with research participants, coupled with observations on their daily lives. Data were analyzed using descriptive and thematic approach. Results of the study revealed that (1): older persons in this survey are 39 men and 37 women; they are young old, aged 64 to 79. Two of them aged 80 and over. Most of them reported as having secondary school certificate or above, still working and still married; (2): The majority of older persons have a monthly income of below than RM870, below poverty level. The income is too low, not enough for daily living, and older persons used all the income for daily expenses. (3): In terms of the level of financial dependency, the answer varies between older persons; there are older person who feel their level of financial dependency is low, while others are moderate and high, but in the future they believe their level of financial dependency will be high. (4): older person also varies in terms of perceive importance of money sending from children to help them lighten the burdens of daily problem; some perceive as important, while others perceive as not too important. To conclude, although income level of older persons in rural Kedah is low they do not feel they are too worry about their financial problems.

Keywords: population ageing; older persons; rural areas; financial dependency; well-being

1. Introduction

The present paper presents the result of a cross-sectional survey conducted in rural Kedah, Malaysia to analyze financial dependency of older people on their adult children who live out of the village. This research is particularly important because general assumption of rural community in Malaysia is that it is the responsibility of children to support parents when their parents become old or disable. It is normal for society to hope children to support their parents because as in many parts of the world, family has definitely the main responsibility for the care and financial support of older dependents (UNFPA and HelpAge International, 2012). This assumption, however, although especially true in the context of our culture, it is often lack of empirical validation.

Despite a wide range of research conducted to explore the daily life of older people has been conducted in Malaysia in recent years, research regarding financial dependency of older people on their adult children who live out of village is still a new endeavor. There have been very few studies in Malaysia addressed financial dependency of older people in rural areas. Many questions regarding the extent to which these older people are dependent on their adult children remain unanswered. Little is known whether older people in rural areas are satisfied with support they receive from their adult children. We do not know how far older people in rural Malaysia are dependent on their adult children, or we still do not know the relative importance of financial support from adult children in older person's daily life.

To fill the gap, therefore, this paper aims to analyze financial dependency of older people in rural Malaysia on their children. This empirical information can assist government to initiate suitable ways to assist older people to live independently. The findings of this research will be useful for the government in the development of suitable policy to meet the needs of older people. In other words, the information gathered through this research will fill a knowledge gap and assist government to develop policy that eventually may reduce the daily problems of older people. This empirical information is also important because as the number and proportion of older population in Malaysia continues to increase, the need to up-to-date information on older persons increases.

2. Objectives

This present article analyzes money dependency of older people in rural Malaysia on their adult children who live out of the village. In particular, it analyzes; (1), profile of older people; (2), income status of older people; (3), level of financial dependency of older people on adult children, and (4), the relative importance of financial support from adult children in rural Malaysia.

3. Literature Review

World population has long been experiencing significant ageing (Kinsella and Taeuber, 1993; United Nations, 2003; United Nations, 2013). The number and proportion of population aged 60 years and older is rapidly increasing (Kinsella and Taeuber, 1993). Because the number of births is declining while life expectancy is rising, the world today is receiving population aged 60 and over as the fastest-growing segment of the world population (Ferraris, 2014). Today, the world's older population is increasing by 1000 000 persons every month (Troisi and Kutsal, 2006), caused the number of older persons today is larger than ever before (Pawliczko and Troisi, 2008). The proportion of this category of population is growing at a faster rate than the general population (Ban-Ki moon, 2012). Although increasing longevity is one of the greatest human achievements, population aging is also presents social, economic and cultural challenges to individuals, families, and societies (Osotimehin, 2012). Indeed, population aging has important and far-reaching implications for all aspects of society (UNFPA and HelpAge International, 2012).

Population aged 60 years and over was expected to be increased from 606 million in 2000 to 1180 million in 2025, with an increase of 50 percent (United Nations, 2003). In 1950 population aged 60 years and over was only 202 million, and the number has increased four times to be 841 million in 2013 (United Nations, 2013). This figure will reach 2 billion people in 2050 (United Nations, 2007a). What is even interesting about the increasing number of older people today is that most of this population is leaving in developing countries. Although population ageing is happening in all regions and in all countries, it is progressing fastest in developing countries (UNFPA and HelpAge International, 2012). In 2000 for instance from 606 million people aged 60 years and above in the world, 62% were living in developing countries. In 2025 this figure will increase to 71%, and is also projected that there will be nearly 80% of the world older person in 2050 will be living in developing countries (United Nations, 2003).

In Malaysia, the aging of population, couple with rural-urban migration of young generation from rural societies which accelerated since New Economic Policy, has changed the patterns of relationship between family members (Wan Ibrahim Wan Ahmad, Zainab Ismail and Ma'rof Redzuan, 2012). Before that time, the aging of population was not a critical issue in rural Malaysia as families had a large number of family members. They are also living in the same household or in their own house nearby which they can easily take care of their elderly parents. Nowadays, many young people are migrating to urban areas, and older persons are left alone in rural areas (Wan Ibrahim Wan Ahmad, Zainab Ismail and Ma'rof Redzuan, 2012).

According to the latest census (Department of Statistics, 2011) there has been a transition in age structure towards aging. The proportion of population aged 65 years and older has increased from 3.9 per cent in 2000 to 5.1 per cent in 2010. Consequently, the median age also increased from 23.6 years in 2000 to 26.2 years in 2010. All these indicators indicating the population of Malaysia is experiencing towards an aging population. As in other parts of the world (Kinsella and Taeuber, 1993), the majority of older people in Malaysia are residing in rural areas (Pala, 2005). Financial support from adult children has been very important to economic well-being of older person in rural Malaysia (Wan Ibrahim Wan Ahmad, 1999). Rural society has always been associated with poverty (United Nations, 2007b). As in other rural areas, most of older people in rural areas in Malaysia are living under poverty level (Wan Ibrahim Wan Ahmad and Zainab Ismail, 2011; Wan Ibrahim Wan Ahmad, Asyraf Hj Ab Rahman, and Zainab Ismail, 2011) and thus, they have to depend on to children for a suitable income (Wan Ibrahim Wan Ahmad, 1999).

Because labor force participation declines as people ages (Wan He, Goodkind and Kowal, 2016), income of older people tends to decline in later life (Litwin and Sapir, 2009). The proportion of older persons who are economically active is small as compared to the proportion of persons aged 25 to 54 years (Kinsella and Taeuber, 1993). Furthermore, older age is normally associated with an increase in the prevalence of chronic diseases, and cardiovascular disease, lung disease, cancer, and stroke (Wan He, Goodkind and Kowal, 2016). Such chronic diseases will likely to affect physical well-being of older persons. Physical well-being on the other hand, is not only matters of an older person himself, but also matters of social including family, because health and illness affect an older person performance of basic personal task of daily living (Shanas and Maddox, 1985). All these circumstances may restrict older person to be actively involved in economic activities, produce a situation, called financial dependency.

4. Materials and Method

This study is concerned with older people in rural society. Rural society is taken into consideration because lots

of older people in Malaysia residing in rural areas. Time series census data on older population in Malaysia revealed that most of older person in Malaysia are living in rural areas, and its proportion is becoming progressively larger (Pala, 2005).

The present study is conducted in one of the rural areas in the state of Kedah. Kedah is situated in the northern part of Malaysia. The village was chosen for this study because it represents characteristics of traditional Malay Muslim life where Islamic rituals are practiced as part of the Malay culture. The study is designed with the aim to have a better understanding the level of money dependency of older people on adult children, and to explore the relative importance of financial support from adult children.

This paper is employed a descriptive research design. Descriptive research design is used when a researcher seeks a better understanding and measure how variables are naturally distributed (Yegidis and Weinbach, 2002). We applied this design as to analyze whether the societal perception on the economic value of children still exists in rural Malaysia. The design suitable to meet this aims is descriptive design (Newman, 2006). The study was conducted in the village of Kubang Pasu, of Kubang Pasu district, in the state of Kedah. Respondents were 76 older persons aged 50 years and older selected through convenience sampling. Data were collected through structured and unstructured interviews, coupled with participant observations conducted in selected household of older persons, and analyzed using descriptive approach.

5. Results and Discussion

Following the stated objectives, this section analyzes; (1), profile of older people; (2), income status of older people; (3), level of financial dependency of older people on adult children, and (4), the relative importance of financial support from adult children in rural Malaysia.

5.1 Profiles of Older Persons

An overview of the respondents' demographic and socioeconomic characteristics, it revealed that they are including in lower socioeconomic status. Respondents selected for this study was 76 older persons aged 50 years and older. Among them are 39 men, and 37 women. While they are aged around 50 to 80 and older; the majority is aged 64 years and below, a category that falls in young old. Only three of them are aged 80 years and older. Because they are young old, most of them are having secondary school certificates, or higher. There are also older persons who only finished a primary school. Two of them reported that they have never attended formal school. The difference between older persons who still working and do not is very small. Looking into detail on this issue, it reveals that most of the respondents who do not working are female. There are 41 older persons who reported they still working, while 35 did not working. Nearly all of them are still have spouses; only seven had divorced and six are widowed (Table 1).

Table 1: Profiles of Older Persons

Profiles of Older Persons	Number	Per Cent
Gender		
• Male	39	51.3
• Female	37	48.7
Age		
• 69 and below	65	85.5
• 70 – 79	8	10.5
• 80 and older	3	4.0
Education		
• Never Attend School	2	2.6
• Primary School	28	36.8
• Secondary and above	46	60.5
Working Status		
• Working	41	54.0
• Not Working	35	46.0
Marital Status		
• Divorced	7	9.2
• Widowed	6	8.0
• Married	63	82.8

5.2 Income Status of Older Persons

Reviewing the income status of older persons in study area, it revealed that their income is very low. Highest income of older persons is RM1 500, while the average income is RM451 per month. With the income of RM1

500 per month, older persons will be facing problems in their daily lives. When this absolute income is categorized into two, nearly all of respondents are fall into RM870 and below. According to official poverty line income (2014), RM870 and below has been used as a cut-off point to determine who is leaving under poverty. Consequently, according to this cut-off point, around 85 per cent of the respondents in the study area are living under poverty. They are categorized as poor family (Table 2).

Poverty is not a strange phenomenon; it is found everywhere (United Nation, 2007a). Poverty is defined as the deprivation of basic capabilities such as good health, education, social networks, command over economic resources that provide a person with the freedom to choose the life he or she has reason to value (Sen, in United Nation, 2007b). It is also not a strange phenomenon among older persons in Malaysia, as in other parts of rural society as well. Rather, Asia and the Pacific are considered to be the home to two-thirds of the world's poor, and it is estimated 70 per cent of the Asia-Pacific region's poor, which is approximately 475 million lives and works in rural areas (United Nations, 2007c).

Respondents are poor because their income is very low. They are working as rubber tapper, or a small farmer which did not offer high income. Because of it, they feel their income is not enough. Nearly all of respondents see their income as not enough. They are using all of their income for daily expenses. Only six used half of their income, while two used less than half of their income. These eight respondents and four others are the only older people who are categorized as not poor. Explore in more detail on these respondents, it revealed that these respondents are not working as rubber tapper, but they are working out of farm. Working out of farms frequently offers older persons a higher income as compared to working as rubber tapper, or other kinds of activities related to farms. Activities related to farms, besides do not offer a higher income, the income from these sectors are also not stable.

Table 2: Income Status of Older Persons

Amount of Income	Number	Per Cent
• 870 and below	64	84.2
• 871 and above	12	15.8
Income Status		
• Not Enough	67	88.2
• Enough	6	7.9
• Too Enough	3	3.9
Income Used		
• All	68	89.5
• Half	6	7.9
• Less than Half	2	2.6

5.3 Level of Financial Dependency

Among the most urgent concerns of older persons worldwide is income security (UNFPA and HelpAge International, 2012). Because of most of older persons in study area are poor, there might be most of respondents will be dependent upon their children for financial requirements. We will be thinking that their financial dependency of older persons on their adult children will be at a high level. But, the reality is different. Nearly half of older persons are fall into low level of current financial dependency. Only 18 are categorized as in high level of current financial dependency. When compared with the prior level of financial dependency, there is a bit different (Table 3).

Table 3: Level of Financial Dependency

Level of Current Financial Dependency	Number	Per Cent
• Low	37	48.7
• Moderate	21	27.6
• High	18	23.7
Level of Prior Financial Dependency		
• Low	48	63.2
• Moderate	17	22.4
• High	11	14.5
Level of Future Financial Dependency		
• Low	25	32.9
• Moderate	12	15.8
• High	39	51.3

Analyzing the level of financial dependency, what is more interesting is that older persons perceived they

will be facing a high level of financial dependency in the future. While for the current level of financial dependency of older persons is only 18; 39 older persons perceived they will fall in high level of financial dependency in the future. When asked the same question, but refers to several months before the survey, only 11 perceived their financial dependency is high. The number of older persons who feel that they will be much more dependent on their children in the future is increasing. In general, the level of financial dependency of older persons on their adult children is not high. It means that older persons in study area are not dependent on their adult children in terms of daily financial requirement.

There are several reasons that can be put forward to explain this phenomenon. One of the most important circumstances that help them gaining economic independence in old age is local environment where older persons live. The study area is situated in rural areas in Kedah. In rural areas, some of the daily necessities can be fulfill without money. They can have vegetables fishes without money at all. Most of older persons plant vegetables besides the house, and also catch fishes in a river near the house. All these necessities will be using lots of money if we buy. The level of cost of living in rural Kedah is also seen as an important factor. There are two states in Malaysia in which level of cost of living is quite low; Kelantan and Kedah. In these two states, rural people do not have to use a lot of money to buy basic daily necessities, such as fish, vegetables, or other basic needs. Thus, although the older persons in study area are poor in terms of income, they can fulfill their daily basic necessities.

5.4 The Importance of Financial Support

The last objective for this paper is regarding the importance of financial support from children. This particular aspect is important to analyze because it is important to know whether older persons in rural Malaysia consider the amount of money they receive from children is important in their daily living. Analysis on this aspect is also important as it can be used as a measure of financial dependency of older people on their children. If older persons feel the financial support from children is important, and then it shows older persons are highly dependent on their children.

In analyzing the relative importance of financial support from children, data show that only a small portion of older persons perceive financial support is very important. Analysis in more detail shows that besides the amount of sending is not too big, older persons can also still earn a living by themselves because they are categorized as young old. They are not a burden for family members. Most of older person can live independently because they can still be active in any economic activity to get income. Through income older person can fulfill what is needed, and they will not be dependent on others (Table 4).

Table 4: The Importance of Financial Support

The Importance of Financial Support	Number	Per Cent
• Not Important	36	47.4
• Important	22	28.9
• Very Important	18	23.7

However, if we combine all older persons who perceive family support is important and very important, we find that the number of older persons in these two categories is more than 50 per cent. Thus, the study reveals that only a small number of respondents who perceive financial support are not important. In a study in rural Kelantan, research also reveals similar result whereby the majority of older persons receive support from their family members. Family members in rural Kelantan are until now still maintain a rather strong traditional value despite the eroding effects of the process of modernization and still provide the major social security for their elderly parents, and to obtain support is not difficult for older persons. Family members acknowledge the care of their elderly parents as their responsibility (Wan Ibrahim Wan Ahmad and Zainab Ismail, 2014a; Wan Ibrahim Wan Ahmad and Zainab Ismail, 2014b; Wan Ibrahim Wan Ahmad and Zainab Ismail, 2014c; Wan Ibrahim Wan Ahmad and Zainab Ismail, 2014c).

6. Conclusion

As stated this study was conducted in one of the rural areas in the state of Kedah, Malaysia. Results of the study revealed that older persons in this survey are 39 men and 37 women; they are young old, aged 64 to 79. They are also having secondary school certificate or above, still working and still married. Although their income is low, not enough for daily living, and older persons used all the income for daily expenses, these older persons are not too dependent on their children. They feel they will be more dependent on their adult children in the future. In terms of the level of financial dependency, the answer varies between older persons; there are older person who feel their level of financial dependency is low, while others are moderate and high, but in the future they believe that their level of financial dependency will be high. Older person also varies in terms of perceive importance of money sending from children; some perceive as important, while others perceive as not too important. As a conclusion the present article finds that the level of financial dependency of older persons on their adult children is not as high as expected.

References

- Ban-Ki moon. (2012). Preface, in *Ageing in the twenty-first century: A celebration and a challenge*. New York: United Nations Population Fund (UNFPA) & HelpAge International
- Department of Statistics. (2011). Population distribution and basic demographic characteristics. Population and Housing Census of Malaysia, 2010. Putrajaya: Department of Statistics, Malaysia
- Ferraris, J. (2014). Forward, in *Indonesia on the threshold of population ageing*. UNFPA Indonesia Monograph Series: No. 1: Jakarta: UNFPA, United Nations Population Fund & HelpAge International.
- Kinsella, K. & Taeuber, C. M. (1993). An aging world II, International Population Reports P95/92-3. U. S. Bureau of the Census: U. S. Government Printing Office, Washington DC
- Kinsella, K., & Wan He. (2009). *An aging world: 2008*. International population reports. Washington, DC.: U. S. Government Printing Office
- Litwin, H., & Eliyahu V. Sapir. (2009). Perceived income adequacy among older adults in 12 countries: Findings from the Survey of Health, Ageing, and Retirement in Europe. *The Gerontologist, Vol. 49, No. 3*: 397–406
- Myers, George C. (1990). Demography of aging, in Binstock, Robert H., & Linda K. George (eds.), *Handbook of aging and the social sciences* (third ed.). California: Academic Press.
- Neuman, W. Lawrence. (2006). *Social research methods: Qualitative and quantitative approach*. Boston: Pearson
- Osoimehin, B. (2012). Foreword, in *Ageing in the twenty-first century: A celebration and a challenge*. New York: United Nations Population Fund (UNFPA) & HelpAge International
- Pala, J. (2005). Population ageing trends in Malaysia. Monograph Series No. 1. Putrajaya: Department of Statistics Malaysia
- Pawliczko, A.L. & Joseph Troisi, 2008. The feminization of ageing in Asia, in Joseph Troisi & Ann Lencyk Pawliczko. (eds.). *The elderly women in Asia: Her role and position*. Malta: International Institute on Ageing.
- Shanas, E. & G. L. Maddox. (1985). Health, health resources and the utilization of care, in Robert H. Brinstock & Ethel Shanas (eds.), *Handbook of aging and the social sciences* (Second ed.). New York: Van Nostrand Reinhold.
- Sorensen, N. N. (2014). Migrant remittance, development and gender. DIIS Brief: Dansk Institut for Internationale Studier
- Troisi, Joseph & Yesim G. Kutsal. (2006). Introduction, in Joseph Troisi, & Yesim G. Kutsal. *Ageing in Turkey*. Malta: International Institute on Ageing.
- UNFPA & HelpAge International. (2012). *Ageing in the twenty-first century: A celebration and a challenge*. New York: United Nations Population Fund (UNFPA) & HelpAge International
- United Nations, (2003). *World Population Prospect: The 2002 revision*. NY: United Nations.
- United Nations. (2007a). *World population prospects: The 2006 Revision*. New York: Department of Economic and Social Affairs, Population Division, United Nations.
- United Nations. (2007b). *Persistent and emerging issues in rural poverty reduction*. Economy and social commission for Asia and the Pacific, Bangkok: United Nations.
- United Nations. (2007c). *Urban poverty and the working poor*. Economy and social commission for Asia and the Pacific, Bangkok: United Nations.
- United Nations. (2013). *World population prospects: The 2012 Revision*. New York: Department of Economic and Social Affairs, Population Division, United Nations.
- United Nations. (2015). *World population ageing 2015*. New York: Department of Economic and Social Affairs, Population Division, United Nations.
- Wan He, Goodkind, D. & Kowal, P. (2016). An aging world: 2015, International Population Reports P95/16-1. U. S. Bureau of the Census: Washington DC
- Wan Ibrahim Wan Ahmad. (1999). Hubungan sosial, sokongan dan kesejahteraan warga tua: Satu kajian di pedesaan Kelantan (*Social relationships, support and well-being of older people: A study in rural Kelantan*). PhD Thesis, Universiti Putra Malaysia.
- Wan Ibrahim Wan Ahmad & Zainab Ismail. (2011). Population ageing and religious participation among rural elderly in Terengganu, Malaysia. *Journal of US-China Public Administration, 8(9)*: 968-977.
- Wan Ibrahim Wan Ahmad, Asyraf Hj Ab Rahman & Zainab Ismail. (2011). Informal sector in rural areas: Socio demographic profile of traditional food industry entrepreneur in Kelantan and Terengganu. *International Journal of Humanities and Social Science, 1(5)*: 221-227.
- Wan Ibrahim Wan Ahmad, Zainab Ismail & Ma'rof Redzuan. (2012). Living arrangement of older people in rural Malaysia. *Advances in Natural and Applied Sciences, 6(3)*: 383-387.
- Wan Ibrahim Wan Ahmad & Zainab Ismail. (2014a). The availability of family support of rural elderly in Malaysia. *World Applied Sciences Journal, 30 (7)*: 899-902
- Wan Ibrahim Wan Ahmad & Zainab Ismail. (2014b). Frequency of family support of older rural Malaysian.

- World Applied Sciences Journal*, 30 (7): 915-918
- Wan Ibrahim Wan Ahmad & Zainab Ismail. (2014c). Satisfaction of family support of older rural Malaysian. *World Applied Sciences Journal*, 30 (7): 919-922
- Wan Ibrahim Wan Ahmad & Zainab Ismail. (2014d). Reasons behind the availability of family support of older persons in Malaysia. *Middle-East Journal of Scientific Research*, 20 (11): 1457-1460
- Yegidis, B. L. & Weinbach, R. W. (2002). *Research method for social workers*. Boston: Allyn and Bacon.