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## Bequest Motives among Older Malays in Selangor (Motif Wasiat di Kalangan Warga Tua Melayu di Selangor)

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### ABSTRACT

*A bequest motive seeks to provide an economic justification for the phenomenon of intergenerational transfers of wealth. In other words, it is to explain why people leave wealth behind when they die. The objective of this study is to identify what motivates the bequest transfers among older Malays in Selangor – the largest ethnic group in Malaysia for which a bequest is culturally and religiously constructed within the society. This primary data were collected through face-to-face interviews using a structured questionnaire in the second quarter of 2011 with a total sample size of 280 older Malays aged 50 years or above in the state of Selangor. From the findings, it was discovered that older Malays in Selangor, conformed more to the altruism model than other bequest models.*

*Keywords: Bequest motives; wasiyyah; intergenerational transfers; Islamic estate planning*

### ABSTRAK

*Motif wasiat cuba memberikan satu penjelasan dari sudut ekonomi ke atas fenomena pemindahan harta antara generasi. Dengan kata lain, ia menerangkan kenapa orang meninggalkan harta selepas mereka mati. Matlamat kajian ini adalah untuk mengkaji apakah motivasi kepada pemindahan wasiat di kalangan warga tua di Selangor – kumpulan etnik yang paling besar di Malaysia di mana wasiat merupakan satu perkara yang rapat dengan budaya dan agama dalam masyarakat. Data primer dikutip melalui temuduga bersemuka dengan menggunakan soal-selidik berstruktur pada suku tahun 2011 dengan jumlah sampel sebanyak 280 orang Melayu tua berumur 50 tahun ke atas di negeri Selangor. Daripada dapatan kajian, ia mendapati yang warga tua Melayu di Selangor lebih menjurus kepada model altruisme berbanding model wasiat yang lain.*

*Kata kunci: Motif wasiat; wasiyyah; pemindahan antara generasi; perancangan harta pusaka Islam*

### INTRODUCTION

A number of theories have been advanced to explain the motives of bequest transfers. A substantial disagreement exists in regard to these motives. Efforts to determine which motive dominates parental decisions of bequest transfers have been met with decidedly mixed results. There are many studies concerning bequest transfers in the United States and Europe with a few on Asian countries such as Japan and China. However, studies on Malaysia's data are scant. This study provides a new insight to the subject matter. It investigates the bequest motives among older Malays in Selangor, Malaysia – the largest ethnic group in Malaysia for which a bequest is culturally and religiously constructed within the society. Thus, the objective of this study is to identify the main factors in explaining the motives of bequest transfers of older Malays in Selangor, Malaysia. The rest of the

paper is organized in the following manner. Section two discusses the previous research, and explains the concept of bequest in Malays' culturally defined forms and religion. We justify the selection of theoretical underpinnings for this study and research methods in section three. Findings and discussions are in the penultimate section. Section five concludes the paper.

### PREVIOUS RESEARCH

From an economic point of view, a bequest is an important and crucial element to policy prescriptions that relates to wealth distribution, saving behavior among older populations, government pension, taxation, charitable contributions and wealth holdings, and income flow for the next generation (Kopczuk & Lupton 2007). The effect of the bequests on the economics

is associated with the bequest models applicable in the particular economy. For example, if the altruism model applies, wealth inequalities increase and these inequalities will pass on from generation to generation (Horioka 2009; Yin 2010). By contrast, if the selfish life-cycle model is valid, without leaving a bequest or leaving an accidental bequest due to lifespan uncertainty, older parents receive no care and financial support from their children. Consequently, the government has to bear the escalating costs of providing for the aged population (Yin 2010). In the quest of locating bequest motives, researchers explored the data of saving motives and bequest transfers, as well as views on bequest motives and bequest division. Generally there are four principal economic theories of bequests, namely, the selfish life-cycle model, the altruism model, the dynasty model (Horioka 2002), and social norms and tradition (Wakabayashi & Horioka 2009). The comparison of these four theories is shown in Table 1.

The selfish life-cycle model indicates that individuals are only concerned about themselves. In other words, they are selfishly motivated (Lee & Horioka 2004; Yin 2010). This model has the following properties: Individuals do not leave any bequest and have no intention to leave any bequest to their family members. A bequest might be left for the children but with some exchange motives such as care, help and support from their family members as they aged or as their health deteriorates. Such bequests, to some extent, are only given with a condition that the children must provide regular financial support and care for them (Bernheim, Shleifer, & Summers 1985; Berry 2006; Horioka 2002; Yin 2010).

Studies conducted in the United States, and Japan showed that the life-cycle model of bequest is the dominant model of household behaviors with a head aged 20 or older in both countries (Horioka, Fujisaki, Watanabe, & Kouno 2000). Such inferences are concluded based on the findings derived from the data on saving motives, which suggest that retirement and precautionary motives – two motives that are consistent

with the life-cycle model – are of dominant importance, and the bequest motive is of negligible importance in both countries. Despite this, the selfish life-cycle model is far more applicable in Japan than it is in the United States. This is because: first, the share of the retirement motive in net savings is twice as large in Japan as it is in the United States. Second, the share of the precautionary motive is also much higher in Japan. Third, the share of the bequest motive in gross savings and net savings as well as the proportion of household savings for the bequest motive in the form of the accumulation of financial assets are much smaller in Japan than they are in the United States. Fourth, the bequest motive is relatively weak in both countries since the percentages of those who have received bequests in the past and who expect to receive bequests in the future are less than 30%, and who have received bequests in the past and/or who expect to receive bequests in the future is 40% in Japan and 49% in the United States. Fifth, more respondents in Japan hold the views of the bequest motives that are consistent with the life-cycle model in which they will not make any effort or will not leave any bequest to their children or they want to make efforts to leave a bequest as long as their children look after them at their retirement age. Finally, attitudes toward bequest division implies that the Japanese are more likely to leave most of the bequests or all of them by means of making a will for the children who look after them (Horioka et al. 2000).

Horioka et al. (2000) argued that the extent to which saving motives in Japan differ from the United States should be dependent solely on the life-cycle model, but it must also be associated with the differences in age and the availability of a social safety net in both countries. Thus, the retirement motive is deemed to be far more important in Japan since public and private pensions are less available in Japan. The importance of retirement motive is also positively associated with age. The Japanese population is much older than that of the United States and this explains the reason why a retirement motive is more important in Japan. In China, bequest motives are

TABLE 1. Comparison of four theoretical models of bequests

Motives	Selfish life-cycle model	Altruism model	Dynasty model	Social norms and tradition
Assumption	Individuals are selfish or just concerned about themselves	Individuals are altruistic	Individuals care about the perpetuation of the family business	Parents and children co-reside
Bequest behavior	Leave no bequest; Leave only whatever assets happen to be left over; Leave more bequests to the children who provide care during old age	Leave a bequest to children without any motive; Leave a bequest to children no matter what; Leave as large a bequest as possible to children; Divide bequest equally among the children	Leave more or the entire bequest to the children who are capable or willing to act as a leader in their family business	Eldest son will live with their parents and take care their parents during old age; Confucian teaching

Sources: Horioka 2002; Wakabayashi and Horioka 2009

very strong. The selfish life-cycle model applies in China, and the inference is concluded from the finding that more than 60% of respondents' children are more likely to co-reside with parents if their parents own a house (Yin 2010). Yin (2000) suggested that house ownership is an important determinant to the probability of a parent-child co-residence of older parents; which also determines the existence of the selfish life-cycle model.

Unlike the selfish life-cycle model, altruistic parents do not only care about their lifetime consumption but also about their children's consumption (Barro 1974). The altruism model implies that parents leave a bequest to their children regardless of whether their children are providing anything in return. The bequests are given to their children with the aim of ensuring their children living in a good environment and having a comfortable life (Becker 1974; 1981; 1991; Horioka 2002). Altruistic parents give more bequests to the child or children with the greatest needs; and as a result, the inter vivos transfer is divided unequally between children whose needs are different. Lee and Horioka (2004) found that bequest motives are very strong in the United States, and they are altruistically motivated. In addition, the study also found that those who were older, rich, married, well-educated, Caucasian, in good health and a free thinker had the highest probability of leaving a bequest compared to the others.

Bequests with the dynastic motive are manifestations of the individuals' determination in ensuring the perpetuation of the perennial trace, a financial or industrial dynasty (Pestieau 2000). Family heads prefer the unequal bequest division policy so that at least one of their children is more likely to stay or become rich, hence making their succession lines firm. The bequests could be distributed in the following manners – the eldest child normally inherits the most (Chu 1991) or the majority or the entire bequest goes to the children who are carrying on the family business or the capable children who will act as a leader in the family business (Horioka 2002; Horioka, Yamashita, Nishikawa, & Iwamoto 2003). In Japan, dynasty model is more applicable than it is in the United States because more respondents tended to leave inherited assets as they regarded inherited assets belong to their families (Horioka et al. 2000).

Living together with children, especially the eldest son, in the contextual form of Japanese people is not necessary and is entirely associated with other existing bequest models. Wakabayashi and Horioka (2009) found the evidence that supports the life-cycle and dynasty models in explaining the determinants for parent's co-residence with children in Japan. However, Wakabayashi and Horioka (2009) suggested that bequest motives in Japan could be partly driven by the social norms and tradition – a theoretical model of bequest motive, which is not given much attention by other researchers. Stankov (2011) described social norms as a set of beliefs or perceptions about the expected standards of behavior

that are sanctioned and enforced, sometimes implicitly, by a society. In this model, when parents and children co-reside, which usually refers to the eldest son living with the parents, the latter must take care of their parents during old age and carry on the family line even if he does not receive any bequest from his parents.

This social norm and tradition in relation to co-residence of older parents and their children in Japan had been influenced by the Confucian teaching. Horioka et al. (2000) and Horioka (2002) recognized cultures, traditions, customs (Unfortunately, Horioka et al. (2000) did not explain cultural differences further. They just cited that due to cultural differences, they expect different models of household behavior to apply in the United States and Japan) and Pestieau (2000) agreed that inheritance laws play important roles in shaping the bequest transfers. One could possibly relate inheritance laws to traditions and customs in the sense that in some countries, these traditions and customs constitute part of the countries' inheritance laws (Pestieau 2000). Equal division and male primogeniture are the inheritance laws that are most commonly cited. In a society where equal division rule applies, such as in France and Germany, the full freedom of bequest is definitely restricted (Pestieau 2000).

In regard to Malaysia, Alma'amun (2012) found that various models of household behavior coexisted in the Malaysian Muslim community in a varying degree (with no preference in order), namely pure life-cycle (with no intention of leaving a bequest at all or leaving an accidental bequest or life-cycle with some strategic or exchange features), altruistic and dynastic bequest models. However, in her study, a verbatim response approach provides more information in which motive is more dominant over others. Alma'amun (2012) discovered the followings: The dynastic motive is more dominant over other motives when bequests are made to family members who have been excluded by the Islamic inheritance law. Exchange, altruistic and strategic bequests are equally prominent motives in the case of bequests made to adopted children. Making bequests for charity are mostly driven by an altruistic motive. Finally, bequests are a manifestation of the Islamic teaching as the Malaysian Muslims show the positive attitude of leaving a bequest in order to get the rewards in the hereafter life.

On the other hand, Chong, Lim and Sia (2014), Chong, Lim and Wong (2014) and Chong, Sia, Lim and Ooi (2011) studies are in line with that of Alma'amun (2012) in which they identified that bequest motives, namely the selfish life-cycle model, the altruism model, and social norms and tradition are applicable in Malaysia. Additionally, they showed that the household's behavior is far from the dynasty model. Nevertheless, their studies contribute new insights into how the bequest motives in Malaysia are engaged with the social norms and tradition. On top of that, Chong, Lim and Sia (2014) employed

confirmatory factor analysis and cluster analyses and came up with additional findings. Their study found three bequest clusters from urban older adults' bequest motives, namely indifferent norms bequest, authoritarian self-centered bequest and domineering philanthropic bequest. The first cluster of older adults, which is named indifferent norms bequest, is more applicable to social norms and tradition and the altruism model, but far from the selfish life-cycle model. Demographically, these cluster respondents are dominated by the Chinese. Most of the respondents in the study by Chong, Lim and Sia (2014) were under the second cluster – the authoritarian self-centered bequest. Basically, these clusters of older adults are closer to the selfish life-cycle and altruism models, and far away from social norms and tradition. A majority of this cluster is dominated by Malays. The last cluster is named domineering philanthropic bequest representing those who are skewed to the altruism model, and far away from social norms and tradition and the selfish life-cycle model. Nevertheless, there are dearth of studies on the bequest motives among older Malays in Malaysia – the largest ethnic group in Malaysia of which a bequest is culturally and religiously constructed within the society.

#### BEQUEST IN MALAYS' CULTURALLY DEFINED FORMS AND RELIGION

Malays represent the largest ethnic group in Malaysia. In Malaysia, the term Malay refers to a person who practices Islam as a religion and Malay traditions. As a departure point, this study explains a bequest within the contextual form of Islam. A bequest in Islam is called *wasiyyah* or *wasiyya* (Coulson 1971). At a glance, a bequest in Islam has the same meaning as a conventional bequest, as it is defined as a testamentary power on which the transfer of a gift only becomes effectual on the death of the testator (Coulson 1971; Marican 2008; Rumsey 1971; Tanzil-ur-Rahman 1980). Conversely, the Muslim testate succession system is, however, subjected to the two principal restrictions imposed upon it.

The first restriction concerns the quantum of bequests, in which a testator is entitled to dispose his property only up to one-third after any debt and expenses have been paid (Coulson, 1971). The second restriction pertains to the recipient of bequests; whereby the law requires that such a disposition is not allowed to be made in favour of legal heirs (Coulson 1971; Marican 2008). The status as an heir may change between the time the bequest is made and the time it becomes effective, but the main rule is that the latest status determines whether the ban operates or is removed. Therefore, a bequest in favour of a person who is an heir of the testator at the time the bequest is made, but due to supervening circumstances is not his heir at the time of his death, does not constitute an *ultra vires* disposition. Allowing a legal heir to acquire a benefit indirectly through a non-heir who receives the

bequest is accepted by most schools except the Hanbalis (Coulson 1971).

Legal heirs in Islam are determined through a system known as *faraid*. *Faraid* is defined as the Islamic law of succession or the Islamic law of inheritance, which is one of the most important branches of Islamic jurisprudence – an important core of the Islamic inheritance system is inevitable. Within its own boundary, the Islamic inheritance system known as *faraid* determines who the heirs are and their entitlements to the estate. The system only recognizes the right of inheritance through marriage or through consanguinity (Banks 1976; Coulson 1971). According to *faraid*, the wife of a deceased male receives no more than one-fourth of his estate if she has no children and one-eighth if she has. The husband of a deceased woman receives no more than one-half of her estate if she has no children and one-fourth if she has. The share of the widow (or widows where polygamy is practised) is one-eighth if the deceased leaves a child and one quarter in other cases; the parents take one-sixth each and the residue is divided among sons and daughters, each son taking twice as much as each daughter. If there is no child, then brothers and cousins inherit fractional shares proportionate to taking twice as much as each daughter (Taylor 1937).

Since the rules do not recognize any inheritance right for non-blood kin save the spouse of the deceased, therefore, they accord no inheritance right to children whom the deceased has simply raised or foster children (Banks 1976; Coulson 1971). However, the Islamic law of inheritance is an extraordinary mixture of flexibility and complexity. If there is a will, not more than one-third of the property may be left by will and the one-third may not be used to give an extra share to any heir through a bequest. These rules of distribution, however, do not bind the heirs between themselves; they are at liberty to divide the inheritance in any proportion they please. Where the family agreed on a distribution, the result is usually to give a specific piece of land to the widow or a dependent daughter, and for sons to share equally with daughters or even to waive altogether in favour of daughters. Sometimes they would agree to give the whole estate to their mother (Taylor 1937).

The Malays also use *hibah* (inter vivos gift or transfers) as an instrument for estate distribution. *Hibah* is a transfer of property which takes place between the livings. Gender determines the kinds of property that the children receive as argued in Banks (1976). For example, daughters are more likely to receive inter vivos transfers in the form of moveable properties such as jewellery and other valuables, while land is more appropriately considered for sons (Banks 1976). However, in terms of the value, Malay parents provide *hibah* property equally to all their children regardless of their gender, which are suited to the need of the recipients. Traditionally, *hibah* is transferred from the giver to the recipient directly in the sense that it is validated and concluded with the



acceptance of the gift by the recipient; followed by the technical procedure of transferring the property right between parties involved. Currently in Malaysia, hibah is combined with trust features to form a trust hibah. The procedure involves the assets to be entrusted to a trustee for a certain time frame according to the trust deed which is agreed between the giver and the recipient. The declaration of the trust hibah takes place during the lifetime of the giver; however, the transfer of ownership of the assets is after the demise of the giver. Between the two periods, the termination of the trust hibah is allowed except for a contract that involves a gift from a husband or wife (Yaacob 2006).

Waqf (religious endowment) is one of the major tools of wealth management. By definition, it is an act of charity where a person allocates part of his assets for the purpose of charitable use. The Islamic dictum for waqf provides property owners the opportunities to mitigate the *faraid* and *wasiyyah* rules. By means of family waqf, waqf founder is able to use it if he so wishes to favour one inheritor over others or to ensure his descendants continuously receive benefits from the waqf property during his lifetime and upon his death (Carroll, 2001). In traditional Malay society, Shiozaki (2007) observed that waqf is commonly used for religious schools' facilities and mosques.

THEORETICAL UNDERPINNINGS: SELFISH LIFE-CYCLE, ALTRUISM, DYNASTY, AND SOCIAL NORMS AND TRADITION

This research believes that the most crucial part in this paper is to justify the theoretical foundations for this study before continuing with the selection of the variables and proceeding with the analysis. It cannot simply assume that the same bequest models are applicable to the Malays when Malays' culturally defined forms and religion are taken into account. For the cross-examination of the selected theories (Table 2), only four studies have ever been carried out in Malaysia within the subject of bequest – Alma'amun (2012), Chong, Lim and Sia (2014), Chong et al. (2011), and Chong, Lim and Wong (2014). Among of these studies, only Alma'amun (2012) concentrates on Malaysian Muslims regardless of the ethnicity. In addition, Alma'amun (2012) carefully justifies the theoretical foundation for her study as she takes into account the religious restrictions imposed on the bequest

making in Islam. The rest of the studies have multiracial respondents namely Malays, Chinese and Indians.

As far as religious factor is concerned, the limitation on the definition of a bequest from the Islamic point of view was also taken into consideration. A bequest is known as an Islamic will or '*wasiyyah*' and it is restricted by two principal rules: the amount allowed to bequeath is limited up to one-third, and it is only allowed to be given to the non-heirs (those who are not entitled to get any shares from *faraid*). At first glance, it seems that none of the theories are relevant with the peculiarities of Malays because by definition, children are perceived as not being entitled to the bequest while corresponding theories are mainly concerned with the motivation of leaving a bequest to the children. Alma'amun (2012) argued that a bequest from a Muslim to his/her children is not totally deniable. The altruism model is still applicable in explaining the Muslims' attitude of leaving a bequest to their children in cases where the children are non-Muslims, and children being barred from inheritance due to homicide. The dynastic bequest motive can, therefore, be extended in the situation of leaving a bequest to siblings or grandchildren who are excluded from the inheritance by a son according to the Islamic law of inheritance. Pertaining to charity bequest, she found in McGranahan's study (2006) that a charity bequest is partly driven by the altruism mode, and this can be applied to Muslims as well. In addition, she engaged the Islamic theory of wealth as part of the theoretical foundation, which explains Muslims' behaviour toward leaving a bequest from the one-third portion. According to Alma'amun (2012), if the Islamic theory of wealth is visualized in one's consumption, therefore, the life-cycle model is assumed to be the least dominant in Malays' lives. In a sense, a bequest is not necessarily for the children, it can also be made to poor people and relatives, as long as they are not entitled to shares provided by the *faraid*.

In conclusion, the selection of the three models was maintained and the Islamic theory of wealth was added as one of the theoretical underpinnings of this research. Alma'amun's (2012) arguments within her subject of the study are acceptable since the bequest practice she explored in her study is broader and does not confine only to the bequest made from parents to children. Thus, this research paper cannot totally rely on her arguments, since this study investigates bequest transfers made from parents to children. In this case, this

TABLE 2. Theoretical Foundations of These Studies

	Selfish life-cycle Model	Altruism Model	Dynasty model	Social norms and tradition	Mixed motives
Chong et al. (2011)	√	√	X	√	X
Alma'amun (2012)	√	√	√	X	X
Chong, Lim & Sia (2014)	√	√	X	√	√
Chong, Lim & Wong (2014)	√	√	X	√	X

study returns to the aspect of bequests in light of Malays' culturally defined norms and religion that was discussed beforehand. According to Taylor (1973), the rules of bequests do not bind the heirs between themselves; they are free to come to a consensus on how to distribute the estates. Bequests made to children are invalid but the flexibility of the Islamic law of inheritance allows such bequests to be made, provided that all the eligible heirs agree. As a result, this study believes that the theoretical foundations which are widely used in the literature are applicable in this case as well. However, this research is only interested in testing the existence of two three bequest motives, namely the selfish life-cycle model and the altruism model.

### RESEARCH METHODS

The unit analysis was those Malays aged 50 years and above and staying within the nine districts throughout the state of Selangor, Malaysia. The sample size and coverage were determined with the main intention of obtaining results to meet the objectives of the study based on the limited budget. In order to ensure that there is large enough sample size for correlations to be reliably estimated for exploratory factor analysis (Tabachnick and Fidell 2007) and to achieve sampling error below 6 per cent, it was decided to select 300 respondents for this study. Stratified random sampling based on the criteria of older population aged 50 and above by districts in the State of Selangor was adopted. The sample frame of the older Malays in each selected district was compiled by the

Department of Statistics Malaysia based on the Census of Malaysia, 2010.

Survey questionnaire was used to elicit the required data. The questionnaire was designed to analyse the study. In this study, the survey questionnaire is consisted of two main sections, namely, respondents' background and bequest motives. The description of the perception of the older was mainly adapted based on Horioka, Fujisaki, Watanabe, and Kouno (2000), Horioka, et al. (2003), Iecovich and Lankri (2002), and Senior Journal (2005) studies. The questions in the second section were measured using the seven-point Likert scale of 1 = strongly disagree, and 7 = strongly agree.

The data were collected through face-to-face interviews using a structured questionnaire from April 2011 to June 2011. Out of the 300 questionnaires, 20 were incomplete and therefore, not used in any of the analyses. Thus, 280 completed questionnaires were used for the analysis. The details of the descriptive analysis of the respondents' characteristics are shown in Table 3. In this study, more than half of the respondents were female respondents (53 per cent) and about 73 per cent of the respondents were married. About 88 per cent of the respondents had received formal education. Some 62 per cent of the respondents were selected from three main districts, namely, Petaling, Ulu Langat and Gombak.

### FINDINGS AND DISCUSSION

To identify the older Malays' bequest motives, the principal component analysis (PCA) with varimax rotation

TABLE 3. Characteristics of older respondents

Characteristics	Total (%)	Characteristics	Total (%)
Gender		Age Group	
Male	47.5	50-59	60.7
Female	52.5	60 or above	39.3
Marital Status		District	
Currently married	72.9	Petaling	27.5
Widowed	22.5	Ulu Langat	20.4
Other	4.6	Gombak	14.3
Educational Level		Klang	10.0
No schooling	11.8	Kuala Selangor	9.3
Primary school	33.6	Kuala Langat	8.2
Secondary school	41.8	Sabak Bernam	7.9
A-level, Certificate, Diploma, Degree	12.8	Ulu Selangor	1.8
Total (%)	100.0	Sepang	0.7
Number of respondents	280	Total (%)	100.0
		Number of respondents	280

TABLE 4. Kaiser-Meyer-Olkin and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.755
Bartlett's Test of Sphericity	Approximate Chi-square	1,817.78
	Degrees of freedom ( df)	55
	Significant (Sig.)	0.000

was used. Four out of fifteen items were subsequently deleted from the scale to improve clarity. This was due to the inconsistency in factor loading patterns, such as some of these items were loaded on more than one factor. As a result, only a total of eleven items were used to obtain the final three factors solution based on principal components analysis for the bequest motives among older Malays, who were staying in the state of Selangor, Malaysia.

The Kaiser-Meyer-Olkin (KMO) value was 0.755, exceeding the recommended value of 0.6 (Hair, Money, Samouel, & Page, 2007; Kaiser, 1974), and Bartlett's test of Sphericity reached statistical significance with the p-value of less than the 0.01 level, supporting the factor ability of the correlation matrix (Bartlett, 1954; Dziuban & Shirkey, 1974) (Table 4). Principal components

analysis (PCA) revealed the presence of three factors with Eigenvalues exceeding 1.0, and in total explained 74% of the variance (Table 5). In addition, the rotated factor matrix was examined to name and explain the three factors. In this research, the sample size was 280 (greater than 250 cases) and the factor loading greater than 0.4 (greater than 0.35) was identified as significant (Hair et al. 2007). Furthermore, the Cronbach's  $\alpha$  for each factor was above 0.7, which indicates that the items from the scales have reasonable internal consistency reliability (Coakes, Steed & Price 2008; Hair et al. 2007). Moreover, the items loaded on each factor and their factor loadings are summarized in Table 5.

This analysis discovered the existence of mixed bequest motives among the respondents, namely selfish life-cycle, pure altruism and altruism factors toward children's well-being. Hence, it supported the findings of Alma'amun (2012), Chong, Lim and Sia (2014), Chong, Lim and Wong (2014) and Chong et al. (2011). The first factor was named as 'selfish life-cycle' in which older adults are perceived to be egoistic and care only for themselves. From the PCA, this factor had four loaded items and could account for 32.6% of the variance (Table 5). The second factor was named as 'pure altruism' with four loaded items. The results demonstrated that

TABLE 5. The results of principal component analysis

Factor	Factor Loadings	Eigenvalue	% of variance explained	Cumulative %
Factor One: Selfish life-cycle ( $\alpha = 0.887$ )		3.581	32.6	32.6
I would not contribute to my child's monthly expenses	0.924			
No matter what, I would not contribute to my child's monthly expenses	0.910			
I would not contribute to my child's monthly expenses, if I can afford it	0.871			
I would not contribute to my child's monthly expenses, if they have insufficient income for their living	0.846			
Factor Two: Pure Altruism ( $\alpha = 0.916$ )		2.861	26.0	58.6
I want to leave more or all of a bequest to my children regardless of whether my children take care of me	0.888			
I plan to leave a bequest regardless of whether my children take care of me	0.868			
I want to leave more or all of a bequest to my children regardless of whether my children carry on the family business	0.855			
I plan to leave a bequest regardless of whether my children carry on the family business	0.839			
Factor Three: Altruism toward children's well-being ( $\alpha = 0.711$ )		1.705	15.5	74.1
Older parents should WILL their properties to their child	0.796			
Older parents should provide financial assistance to help their child become economically independent	0.793			
Older parents should provide financial assistance whenever they can afford it	0.781			

these combined loaded variables explained 26.0% of the variance. The third factor was named as ‘altruism toward children’s well-being’ with three loaded variables. It is noted that these items combined, accounted for 15.5% of the variance. This factor is slightly different from the second factor, ‘pure altruism’, in the sense that intention to make a bequest to children is engaged with the objective of to ensure the children are better off and to help them become economically independent.

Factor One (selfish life-cycle) revealed the absence of an intention of leaving a bequest to children – the distinctive feature of the model. If they were to leave bequests or to provide any financial support to their children, they would expect something in return such as for their children to take care of them during old age. The descriptive statistics showed that this group is slightly inclined to selfish life-cycle factor (mean score of 4.23) with standard deviation of 1.77 (1 is strongly disagree; 2 is disagree; 3 is somewhat disagree; 4 is neither disagree nor agree; 5 is somewhat agreed; 6 is agreed; 7 is strongly agreed) (Table 6).

Factor Two (pure altruism) and Factor Three (altruism toward children’s well-being) both indicated that the altruism model seemed to be more likely in explaining which model is more applicable. The research’s findings and implication must be treated carefully. This is because the nature of bequest in Malays’ community has been part of the Malays’ custom and tradition, which is structured and confined by the Islamic rules. The conflict arises when the custom and tradition of bequest making do not comply with the Islamic rules. However, there is evidence in the work of Taylor (1937) whereby the conflict is resolved upon the consent of the eligible heirs. Within this context, by Islamic definition, children cannot be the recipient of the bequest since they are already entitled to a certain quantum of share of inheritance, unless they are excluded from the list of legal heirs due to different religion and homicide. Hence, even though parents are being altruistic, the children may receive the bequest only if the eligible heirs agree to waive their shares. An altruistic bequest is also identified as one of the prominent motives in the case of bequests made to adopted children in Alma’amun’s study (2012), but it is beyond the scope of this study to investigate the variation of the bequest motives toward different statuses of children. The strong intention to leave a bequest to the children driven by the altruistic motive could be a

manifestation of the Islamic teaching which encourages the Muslims to leave a bequest and get rewards in the hereafter life for doing good deeds through bequests (Alma’amun 2012).

Factor Three (altruism toward children’s well-being) revealed that parents use bequests to provide financial assistance to their children. This is also evidenced in Banks’ study (1976). A Malay’s primary responsibility, according to Banks (1976) is for the support of his own children, and those that he has raised. However, the form of financial assistance that Banks (1976) explored was the inheritance gifts. Banks (1976) described that inheritance gifts are suited to the needs of their children regardless of whether the children are socially recognized biological offspring and foster children. His argument is still acceptable at justifying these findings since bequests and inheritance gifts are both mechanisms used for intergenerational transfers. In summary, it was found that older Malays in the state of Selangor, Malaysia are more conformed to the altruism model (pure altruism and altruism toward children’s well-being) than the selfish life-cycle model (Table 6). The altruism model is the most applicable, implying that Ricardian equivalence will hold (similar with America and Indian) and activist fiscal policies would be largely ineffective (Horioka 2014). The predominantly altruistic model also indicates that the older Malays in Malaysia will leave a bequest to their children even if there is no *quid pro quo* from their children. Thus, there is a high possibility of wealth inequalities to be passed on from generation to generation among the Malay society.

## CONCLUSION AND IMPLICATIONS

The fact that the majority of the Malays do not have a will during their lifetime has been highlighted in Shahanaaz (2010). In addition, Shahrul Anuar (2012) reported that in 2012 about MYR 45.0 billion of unclaimed bequests were left by those who had since deceased due to the absence of a will. Furthermore, about 90 per cent of the unclaimed bequests belong to Malaysian Muslims (Hayati, Noryati & Faziatul Amillia 2012). This study did not investigate whether the respondents have made a will or vice versa. It only discovered that older Malays in the state of Selangor were more skewed to the altruism model than other bequest models. Being altruistic means that they had intentions to leave a bequest to their children without any motive or they wanted to leave a bequest to children regardless their children would take care of them or not. Leaving a bequest can be made through a verbal or a written will according to Islamic jurisdictions. However, taking into account that both civil law and Syariah law regulate the estate administration and distribution process for Malaysian Muslims, therefore the legality of bequest making in Malaysia is subjected to the wills which are admitted

TABLE 6. Descriptive Statistics on the Constructs

Factor	Mean	Standard Deviation
Selfish life-cycle	4.23	1.77
Pure altruism	4.66	1.50
Altruism toward children’s well-being	4.78	1.32



to probate. The absence of will which is admitted to probate does not help the authorities to address the issue of the escalating number of unclaimed bequests. From the economic perspectives, frozen estates due to the unclaimed bequests cannot be quickly transferred and utilized for economic development.

This study believes that more exposures must be given to the Malay society in regard to the consequences of dying intestate (dies without a will or *wasiyyah*). Awareness takes place when one observes the consequences of dying intestate. The greater awareness a person has, the more readily he can permit additional information – consciously or unconsciously to guide his decision-making. This additional information is obtained in the form of knowledge. Within this scope of discussion, dissemination of knowledge of the estate planning within the contextual form of Malaysian legislations to the Malay society must be aggressively undertaken. The society must comprehend that the main mechanism for estate planning is the will or *wasiyyah* writing before they engage with other methods of estate planning such as *hibah* and *waqf*.

Substantial efforts have been undertaken to achieve these. Amanah Raya Berhad (ARB) – the only public trustee in Malaysia, as well as private *wasiyyah* (Islamic will) writing service providers including ZAR Perunding Pusaka, Wasiyyah Shoppe, As-Salihin Trustee Berhad and Amanah Hibah are those actively involved in promoting Islamic estate planning. The industry offers a range of Islamic estate planning products specifically designed to suit the objectives of estate planning for Malaysian Muslims such as *wasiyyah*, *hibah*, *waqf* and trust account. The *wasiyyah* writing service, however, should be observed as the main method of estate planning aiming to provide a solution to a key problem—that of the increasing number of frozen estates.

The limitation of this research is that the sample is restricted to the most developed state in Malaysia; namely the state of Selangor. The findings of this study only represent urban older Malays' bequest practices and are inconclusive to rural and semi-older populations. This study suggests that researchers could conduct a study on rural and semi-older Malays on their bequest practices and other related issues. This may uncover different bequest motives compared to older Malays.

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