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Determinants of Improving the Financial Security of Retired Women in Malaysia*

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Abstract

The perspectives on aging women's financial security during their retirement years are based on their behavior, planning, and decision-making processes during their working years. Elderly women are considered vulnerable and have a longer life expectancy, lower-income, and limited financial understanding compared to males; therefore, drastic steps need to be taken to improve their financial stability and quality of life. The current study sought to determine the most important contributors to retired women's financial health by measuring the value of four factors/variables: capability, opportunity, willingness, and biopsychosocial. This study used a mixed model approach, with qualitative analysis in the first phase involving a focus group discussion session, a pilot analysis, and quantitative analysis for phase two involving the distribution and collection of questionnaires completed by retired women. The surveys were distributed across Malaysia in five distinct zones and yielded 339 usable replies to support the theory. The outcomes of the Multiple Regression Analysis in Malaysia revealed that capability, opportunity, and biopsychosocial factors are significant predictors of retired women's financial security, whereas the willingness indicator lacked statistical significance.

Keywords: Capacity, Opportunity, Willingness, Biopsychosocial, Retirement

JEL Classification Code: J26, I30, H55, D31, G41

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1. Introduction

“How am I doing?” is undoubtedly a question that women are approaching retirement age are asking themselves. An important issue worth highlighting in the retirement literature is the issue of whether older women have the financial ability to support themselves in their retirement. Eventually, the rapid growth of the population and aging will place a greater emphasis on the forecasting of economic conditions and the development of economic and social policies (Yoshida et al., 2019). Well-being in retirement presents great challenges for the elderly in terms of longevity, health, economic wellbeing, loss of social standing, loneliness, feelings of isolation, and lack of support issues. These areas are often perceived by the elderly as serious problems burdening their cohort (Kim, 2020).

Recent statistics from the Department of Statistics Malaysia (DOSM) indicated the percentage of people who