



UNIVERSITY OF MALAYA

Faculty of Business and Accountancy

Date: 21st October 2007

Dear Sir/Mdm/Ms

Re: **“RETIREMENT PLANNING STRATEGIES: A STUDY OF PRE-RETIREMENT PREPARATION & RESOURCES ADEQUACY IN MALAYSIA”**

Currently, I am doing an in-depth study on the above subject in part satisfaction of the academic requirements of the Doctor of Philosophy (“PhD”) program conducted by University Malaya.

The purpose of the study is expected to contribute a significant knowledge on the various financial planning strategies including the values of filial piety virtues, in the context of the multi-racial Malaysian society. In particular, the findings of the study may provide not only a profile of the personal financial wellness, which could serve as a useful guide for financial counselors and planners, but also a benchmark for financial educators who might require the information to expand financial educational needs or for individuals who might need the relevant information to manage their own finances and investments.

For completing my research study, your valuable cooperation and input would be highly appreciated. Towards this end, I should be most grateful if you could spare a few minutes of your time and provide me with the required data as indicated in the various sections of the questionnaire hereto. Please note that the information so provided would be kept in strict confidence and would be used for executing this study only.

Should you require a copy of this research study for reference, please let me have your email address in the space provided (_____), for follow-up action.

Thank you once again for your cooperation.

Yours faithfully,

(Folk Jee Yoong)
PhD Candidate.

c.c. Research supervisor (Prof. Dato’ Dr. Mansor Md. Isa)

QUESTIONNAIRE

SECTION A: PERSONAL PARTICULARS

1. Ethnicity: Malay () Chinese () Indian () Others ()
2. Gender: Male () Female ()
3. Educational level: No schooling () Primary () Secondary () Tertiary ()
4. Occupation: _____
5. Are you an employer, employee or own account worker?
Employer () Public sector employee () Private sector employee () Others ()
6. Marital status: Single () Married () Divorced () Widowed ()
7. Number of children _____
8. Do you own a house/flat/condominium?
Yes () No ()
9. Current Age (Years)

20-29	30-39	40-49	50-59	60-69	70-79	80+

SECTION B: RETIREMENT PLANNING BEHAVIOUR

1. During the past six months, how satisfied have you been with each of the following aspects of your life? Please rank the following questions.

	Very Dissatisfied			Very Satisfied	

a. The way you've used your money.	1	2	3	4	5
b. Your ability to make investment decisions with the money you have saved.	1	2	3	4	5
c. Your preparation to meet long-term financial goals.	1	2	3	4	5
d. Your ability to meet large unexpected expenses.	1	2	3	4	5
e. The amount of your unpaid balances on your credit card(s).	1	2	3	4	5
f. The extent to which you have been able to control your financial situation.	1	2	3	4	5
g. The estate planning you have done.	1	2	3	4	5

2. There are many different ways to manage personal finances. Please circle the appropriate answer to the following actions during the past six months.

	Never			Always	

a. Made plans on how to use your money.	1	2	3	4	5
b. Saved for goals.	1	2	3	4	5
c. Evaluated spending.	1	2	3	4	5

3. How much do you agree or disagree with each of the following statements on managing your personal finances?

Strongly disagree Strongly agree

|-----|

1 2 3 4 5

a. I would seek the advice of a financial professional.

1 2 3 4 5

b. I prefer to plan myself, as I am well-versed with the topic & financially savvy

1 2 3 4 5

c. I have started saving for my retirement needs.

1 2 3 4 5

4. Do you agree that learning about managing your personal finances is (Please tick any one answer):

	Yes	No	Not sure
a. Well worth the time spent			
b. Too difficult to understand			
c. Only useful if you have a lot of money			

5. Which of the following statements come closest to the way you feel? (**TICK ONE ONLY**)

a. I am comfortable with the way I currently manage my personal financial planning	
b. I am not comfortable with the way I currently manage my personal financial planning because I am not sure I am doing it right	
c. I do not have any personal financial planning now but I intend to do it later	
d. I don't see the need for a personal financial planning at all	

6. At what age do you plan to retire?

35 – 44 () 45 – 54 () 55 - 65 () 66 – 74 ()
 > 75 () No plan as yet ()

7. How much money do you believe you will need to accumulate by the time you retire to adequately meet you retirement living expenses? (Ringgit)

<100,000	100,000-249,999	250,000-499,999	500,000-749,999	750,000-1,000,000	1,000,001-1,249,999	>1,250,000

Please rank the following questions 8 to 9:

8. Do you feel you will be able to support your current lifestyle during your retirement years, given your current level of retirement savings (or lack thereof)?

Strongly Disagree

Strongly Agree

1 2 3 4 5

9. Do you feel you are adequately preparing yourself (financially) for your retirement years?

Strongly Disagree

Strongly Agree

1 2 3 4 5

SECTION C: SAVING AND INVESTMENT BEHAVIOUR

1. In general, how would your best friend describe you as a risk taker?
 - a. A real gambler.
 - b. Willing to take risks after completing adequate research.
 - c. Cautious.
 - d. A real risk avoider.

2. You are on a TV game show and can choose one of the following. Which would you take?
 - a. RM1,000 in cash
 - b. A 50% chance at winning RM5,000.
 - c. A 25% chance at winning RM10,000.
 - d. A 5% chance at winning RM100,000.

3. You have just finished saving for a "once-in-a-lifetime" vacation. Three weeks before you plan to leave, you lose your job. You would:
 - a. Cancel the vacation.
 - b. Take a much more modest vacation.
 - c. Go as scheduled, reasoning that you need the time to prepare for a job search.
 - d. Extend your vacation, because this might be your last chance to go first-class.

4. If you unexpectedly received RM20,000 to invest, what would you do?
 - a. Deposit it in a bank account, money market account, or an insured CD
 - b. Invest it in safe high quality bonds or bond mutual funds.
 - c. Invest it in shares or equity funds.

5. In terms of experience, how comfortable are you investing in shares or equity funds?
 - a. Not at all comfortable.
 - b. Somewhat comfortable.
 - c. Very comfortable.

6. When you think of the word "risk" which of the following words comes to mind first?
 - a. Loss.
 - b. Uncertainty.
 - c. Opportunity.
 - d. Thrill.

7. Some experts are predicting prices of assets such as gold, jewels, collectibles, and real estate (hard assets) to increase in value; bond prices may fall, however, experts tend to agree that government bonds are relatively safe. Most of your investment assets are now in high interest government bonds. What would you do?
 - a. Hold the bonds.
 - b. Sell the bonds, put half the proceeds into money market accounts, and the other half into hard assets.
 - c. Sell the bonds and put the total proceeds into hard assets.
 - d. Sell the bonds, put all the money into hard assets, and borrow additional money to buy more.

8. Given the best and worst case returns of the four investment choices below, which would you prefer?
 - a. RM 200 gain, best case; RM0 gain/loss, worst case.
 - b. RM 800 gain, best case; RM200 loss, worst case.
 - c. RM2,600 gain, best case; RM800 loss, worst case.
 - d. RM4,800 gain, best case; RM2,400 loss, worst case.

9. In addition to whatever you own, you have been given RM1,000. You are now asked to choose between:
 - a. A sure gain of RM500.
 - b. A 50% chance to gain RM1,000 and a 50% chance to gain nothing.

10. In addition to whatever you own, you have been given RM2,000. You are now asked to choose between:
 - a. A sure loss of RM500.
 - b. A 50% chance to lose RM1,000 and a 50% chance to lose nothing.

11. Suppose a relative left you an inheritance of RM100,000 stipulating in the will that you invest ALL the money in ONE of the following choices. Which one would you select?
 - a. A savings account or money market mutual fund.
 - b. A mutual fund that owns shares and bonds.
 - c. A portfolio of 15 popular shares.
 - d. Commodities like gold, silver, and oil.

12. If you had to invest RM20,000, which of the following investment choices would you find most appealing?
 - a. 60% in low-risk investments 30% in medium-risk investments 10% in high-risk investments
 - b. 30% in low-risk investments 40% in medium-risk investments 30% in high-risk investments
 - c. 10% in low-risk investments 40% in medium-risk investments 50% in high-risk investments

13. Your trusted friend and neighbour, an experienced geologist, is putting together a group of investors to fund an exploratory gold mining venture. The venture could pay back 50 to 100 times the investment if successful. If the mine is a bust, the entire investment is worthless. Your friend estimates the chance of success is only 20%. If you had the money, how much would you invest?
 - a. Nothing.
 - b. One month's salary.
 - c. Three month's salary.
 - d. Six month's salary.

SECTION D: FINANCIAL AND INVESTMENT KNOWLEDGE

1. Which of the following sources of information have you used for financial planning over the past six months? Circle all that apply.

- a. Newsletter on ‘Understanding Personal Finances’.
- b. Other financial planning publications.
- c. Financial planning software.
- d. The Internet.
- e. Not Applicable.

2. If the above sources are not covered in Question D1, how else did you come to know about financial planning? (MULTIPLE RESPONSE)

a. Banks	
b. Relatives/friends/colleagues	
c. Insurance agent	
d. Unit trust agent	
e. Stock broker/remisier	
f. Others _____	

3. If a friend were to ask you about some financial terms, would you be able to explain the following to him/her?

	Not at all					Very well
a. Compound interest	1	2	3	4	5	
b. Dividend yield	1	2	3	4	5	
c. Price earning ratio	1	2	3	4	5	
d. Cost averaging	1	2	3	4	5	
e. Diversification	1	2	3	4	5	

4. Choose the most appropriate response for their situation from those listed below (risk tolerance):
Seven-point Likert-type response format (1- strongly disagree, 7 - strongly agree).

a. Investing is too difficult to understand	
b. I am more comfortable putting my money in a bank account than in the stock market.	
c. When I think of the work “risk” the term “loss” comes to mind immediately.	
d. Making money in stocks and bonds is based on luck.	
e. In terms of investing, safety is more important than returns.	
f. I am willing to risk financial losses.	
g. I prefer investments that have higher returns even though they are riskier.	
h. The overall growth potential of a retirement investment is more important than the level of risk of the investment.	
i. I am very willing to make risky investments to ensure financial stability in retirement.	
j. As a rule, I would never choose the safest investment when planning for retirement.	

22. My relationship with my parents is more important than the relationship with my spouse or children.

Strongly Disagree Strongly Agree

1 2 3 4 5

23. Do you plan for retirement by depending on your children in your old age?

Strongly Disagree Strongly Agree

1 2 3 4 5

24. Older parents should be able to depend on their grown children to help them do the things they need to do.

Strongly Disagree Strongly Agree

1 2 3 4 5

25. If you are not staying with your parents, how often do you meet them? _____ times per year.

26. If you are not staying with your parents, what is the frequency of the regular allowance, if any?
 monthly quarterly yearly others _____

27. How far do you stay from your parents? Same house Next door Within 1km
 1km - 3km 3km - 5km 5km – 10km 10km – 20km Outstation

28. If you have an adult child, how far do you stay from your son/daughter? Same house
 Next door Within 1km 1km - 3km 3km - 5km 5km – 10km
 10km – 20km Outstation Studying Abroad/Outstation

SECTION F: PERSONAL AND HOUSEHOLD MONTHLY INCOME

1. Monthly personal income (in RM)

<2000	2000-2999	3000-3999	4000-4999	5000-5999	6000-6999	7000-7999	8000-8999	9000-9999	10,000+

2. Monthly household income (in RM)

<2000	2000-2999	3000-3999	4000-4999	5000-5999	6000-6999	7000-7999	8000-8999	9000-9999	10,000+