# A CROSS-SECTIONAL STUDY ON HOUSEHOLD'S SAVING BEHAVIOUR IN MALAYSIA

INSTITUT PENGURUSAN PENYELIDIKAN
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BY:

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JANUARI 2010

Surat Kami : 600-RMI/SSP/DANA 5/3/Dsp (153/2008)
Tarikh : 26 November 2008

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Azhana bt Othman
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Prof Madya Arifin Md Salleh
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Tuan/Puan,

**TAJUK PROJEK PENYELIDIKAN DANA KECEMERLANGAN: GELAGAT TABUNGAN ISIRUMAH DI MALAYSIA: BUKTI DATA MIKRO (1983-2003)**

Dengan hormatnya perkara di atas adalah dirujuk.

Sukacita dimaklumkan Institut Pengurusan Penyelidikan (RMI) telah meluluskan cadangan penyelidikan yang telah dikemukakan oleh tuan/puan bertajuk di atas dengan syarat-syarat seperti berikut:

i. Tempoh projek penyelidikan ini ialah 1 tahun, iaitu bermula **1 November 2008** hingga **31 Oktober 2009.**

ii. Kos yang diluluskan ialah sebanyak **RM4,000.00 sahaja** dalam ***(Kategori C).*** Tuan/Puan diminta mengemukakan proposal beserta bajet yang baru mengikut kos yang diluluskan sebelum tuan/puan memulakan projek penyelidikan tuan/puan.

iii. Pembelian peralatan komputer/printer/PDA adalah tidak dibenarkan.

iv. Tiada biodata penyelidik.

v. Semua pembelian bahan/peralatan adalah diminta agar tuan/puan mematuhi prosedur perbendaharaan di mana pembelian melebihi RM500.00 hendaklah mengemukakan sebutharga dan borang analisa harga.

iv. Pihak tuan/puan dikehendaki mengemukakan laporan prestasi secara ringkas pada bulan Disember 2003 sepanjang penyelidikan tuan/puan berjalan.

v. Tuan/Puan perlu menandatangani Borang Perjanjian Penyelidikan dengan kadar segera kerana penggunaan geran hanya dibenarkan setelah perjanjian ditandatangani

vi. Laporan Akhir perlu dihantar sebaik sahaja projek penyelidikan disiapkan dan format menulis laporan akhir boleh diperolehi di laman web RMI. (http://www.rmi.uitm.edu.my)

Sekian, harap maklum. Terima kasih.

**'SELAMAT MENJALANKAN PENYELIDIKAN'**

Yang benar,

**PROF. DR. AZNI ZAIN AHMED**
Penolong Naib Canselor (Penyelidikan)

s.k. 1. Pengarah Kampus
UiTM Cawangan Melaka
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2. Koordinator RMU
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3. Puan Rosnani Abd. Razak
Penolong Bendahari
Unit Kewangan Zon 17 (Penyelidikan)
***(untuk makluman dan tindakan)***

AZAIFatin

Tarikh : 31 Januari 2010
No. Fail Projek : 600-RMI/SSP/5/3/Dsp (153/2008)

Penolong Naib Canselor (Penyelidikan)
Institut Pengurusan Penyelidikan
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Ybhg. Prof.,

**LAPORAN AKHIR PENYELIDIKAN "A CROSS-SECTIONAL STUDY ON HOUSEHOLD'S SAVING BEHAVIOUR IN MALAYSIA"**

Merujuk kepada perkara di atas, bersama-sama ini disertakan 1 (satu) naskah Laporan Akhir Penyelidikan bertajuk **"A CROSS-SECTIONAL STUDY ON HOUSEHOLD'S SAVING BEHAVIOUR IN MALAYSIA"** oleh kumpulan Penyelidik dari Fakulti Pengurusan Perniagaan, UiTM Melaka untuk makluman pihak Tuan.

Sekian, terima kasih.

Yang benar,

**FARIDAH PARDI**
Ketua
Projek Penyelidikan

**A Cross-Sectional Study on Household's Saving Behaviour in Malaysia**

By

Faridah Bt. Pardi

Azhana Bt. Othman

Arifin Bin Md. Salleh

Abstract

The main objective of this paper is to find the possible relationship between several factors that might have effect on level of savings among households in Malaysia. Previous studies identified number of demographic factors that affect level of savings, such as age of household head, household size number, total consumption, areas of living and level of education. In addition, these studies also applied the life-cycle hypothesis framework that explains the saving behaviour among household. Recent papers investigated whether some of the factors mentioned have significant impact on saving behaviour among household in some countries. They found that not all variables have significant correlation that fits the initial life-cycle framework. The study used the data from the Household Expenditure Survey (HES) obtained from Department of Statistics, Malaysia; as conducted recently in 2004/05. Total number of respondents is 14,084; which 30% from the population allowed to be used. The estimation results show that almost all of the proposed demographic variables have significantly strong positive relationship to the household's level of saving. The finding is consistent with the previous study that demographical factors add huge information in explaining the level of saving. The results also suggest that savings would increase as the rise in age, but declines at a certain point of age, resulted an inverse relationship between age$^2$ and saving. Finally, the analysis results suggest that, by including some other factors, and by taking a bigger sample subset of population might improve the results in future research.

JEL classification: E21, D10
Keywords: Savings, Rate of Saving, Malaysia, Household