

**“THE FACTORS THAT AFFECT THE RETIREMENT
SAVING PLAN”**

NURUL AMIRA BINTI A.RAHMAN

**Submitted in Partial Fulfillment
of the Requirement for the
Bachelor of Business Administration
(Hons) Business Economic**

FACULTY OF BUSINESS MANAGEMENT

UiTM, SHAH ALAM

DECEMBER 2013

ACKNOWLEDGEMENT

All praises are due to the Almighty Allah SWT for the abundant blessings which have enabled me to complete this thesis.

First of all, I would like to express my deep appreciation to my principal supervisor, Dr Azizah Daut, for her great inspiration, exceptional guidance and encouragement. I am grateful to have the opportunity to continue this research journey under her supervision. I would also like to thank for her commitment and invaluable advice, especially during the early stages of my research journey and having faith in me to complete this thesis.

I am indebted to my beloved and supportive parents, A. Rahman b Selong and Rubisah Binti Muslimin, for their understanding and endless prayer for my success. Their unconditional love and support has always been a great inspiration to me. Last, but not least, special appreciation goes to all family members, friends and to everyone who has contributed either directly or indirectly throughout my Degree journey.

TABLE OF CONTENT

	PAGE
ACKNOWLEDGEMENT	1
TABLE OF CONTENTS	11- 14
LIST OF TABLE	v
LIST OF FIGURE	vi
ABSTRACT	vii
CHAPTERS	
1. INTRODUCTION	
1.0 Overview	1 - 2
1.1 Background	3 - 7
1.2 Problem statement	8 - 9
1.3 Research question	
1.4 Objective of study	11
1.5 Significant of study	12
1.6 Scope of study	13
1.7 Definition of term	14
2. LITERATURE REVIEW	
2.0 Introduction	15
2.1 Age	16
2.2 Financial Advisor	17
2.3 Financial and investment knowledge	18- 19
2.4 Theoretical framework	20
2.5 Research hypothesis	21

3. Research methodology and design	
3.0 Research design	22
3.1 Type of study	22
3.2 Data collection method	23
3.2.1 Primary source of data	24
3.3 Variable and measurement	24
3.4 Instrument	25
3.6 Data analysis and interpretation	25 - 28
4. Analysis and interpretation of data	
4.1 Descriptive analysis	29 - 35
4.2 Pilot analysis	36
4.2.1 Normality analysis	36 - 37
4.2.2 Reliability analysis	38
4.2.3 Validity	39
4.3 Correlation	
4.3.1 Pearson Correlation	40 -41
4.3.2 Pearson Chi –Square tests	42
4.4 Regression model	43
4.4.1 F- test	43
4.4.2 Coefficient Multiple linear regressions	43 – 45
4.4.3 Coefficient of determination	45
4.4.4 Durbin Watson	46
4.4 Summary	47

“THE FACTOR THAT AFFECT THE RETIREMENT SAVING PLAN”

NURUL AMIRA BINTI A.RAHMAN

DECEMBER 2013

ABSTARCT

Awareness in retirement is still a vague issue among societies in Malaysia. Despite a growing awareness for the need to prepare for one’s retirement, many do not translate their plans into action. Usually they have a fairly good understanding of the basic mechanics of the plan but they have insufficient knowledge to differentiate among numerous investment options.

The reality hits when people find that they cannot afford to retire because they have not seriously put aside the money in their early life. Abdul Samad and Kari, (2007) conducted a survey on 2,000 retirees in Malaysia. The results revealed that the benefits provided by the Employees Provident Fund were not adequate to sustain their retirement life.

Therefore, this paper, subjectively, aims to investigate the factors that affecting the retirement saving plan. This thesis utilizes questionnaire-based surveys to collect the information and the data are analyzed using Statistical Package for the Social Sciences (SPSS) software .The findings of this research indicate the perceived importance of age, financial advisor and financial investment knowledge as the significant predictors for individuals to invest part of their retirement savings in the unit trusts. According to Choong (2005), the Malaysian unit trust industry has been one of the fastest-growing sectors within the finance industry in the last two decades. In conclusion the working individuals should do early planning for retirement to enable them to have a strong financial base after retirement.