

## Retirement Living: Are We Prepared as an Ageing Nation?

There will be an increase of senior citizens in Malaysia as the life expectancy of Malaysians increases. Undoubtedly, decreasing fertility rates and increasing life expectancy is fast forwarding Malaysia to the status of an ageing society.

Based on the **Department of Statistics Malaysia**, the total population of the country was recorded at 32.4 million in 2020, with a total 2.2 million of the population or 7.4% aged 65 years old and above. The World Bank defines a country as 'ageing' when the percentage of people aged 65+ is above 7%, thus, categorising Malaysia as one of the 'ageing' nations.

The 2020 report by the World Bank, titled: A Silver Lining: Productive and Inclusive Aging for Malaysia, estimated that Malaysia will be an 'aged' nation by 2044 and 'super-aged' nation by 2056 with at least 14% and 20% of the population aged 65 and above respectively.

Whether it is for ourselves or for our parents, are we prepared for aged care?

Responding to Smart Investor, Aged Care Group Sdn Bhd (ACG) chief executive officer, Dr Carol Yip says that many are still struggling and worry if there will be enough money to retire, especially when medical costs continue to rise.

"Have you ever spoken to your parents or your family members about this? Most of us have not talked about or planned on retirement with our parents or families," Dr Carol points out.

She notes that it will be difficult when adults in their 40s and 50s need to take care of their aged parents' medical and living expenses, in addition to what they may have to spend on their own medical and living expenses. The situation may worsen with sibling rivalry and unwillingness to share the financial burden of caring for aged parents.

### Increasing Needs for Aged Care Service

Group chief executive officer of Seterra Group of Companies, Rashidi Yahaya said that more and more people are now looking for aged care for their parents. Seterra is a Syariah-compliant aged care company located in Bukit Damansara, with the goal to revolutionise the standard of Islamic aged care in Malaysia by setting a new world class standards in aged healthcare facilities.

"Inevitably parents will grow old. When they are no longer mobile or become bedridden, their children will find themselves inadequately ready to provide the necessary care," he informs.

He explains that there is also a shift in the thinking of the elder community today. They do not want to burden their children when they grow old, and can accept living out their older age in a place that can fulfill both their medical/physical and spiritual needs.

Society at large has moved away from traditional family values where the elderly are mostly at home under the care of their family members, shares Angela Francis, a project coordinator for Ipoh-based Ozanam Retirement Village (ORV).

“Hence, it is becoming more necessary for people nowadays to start planning on how to secure and support themselves in their twilight years,” she says.

ORV provides an essential community living environment for seniors. It is an initiative by The National Society of St Vincent De Paul (SSVP) and the Titular Roman Catholic Bishop of Penang where Angela is the vice president of SSVP.

There are some critical perspectives regarding retirement living and aged care. In the old days, the responsibility to care for the parents lies on the children. Even today, some are still stuck with this perspective.

“You are not neglecting your duty as a son or daughter by sending your mother or father to a home as these homes could perhaps take even better care of them for you,” Rashidi explains. “We still have a duty to provide emotional, physical and spiritual support to the best of our ability.”

“For Muslims especially, there are special considerations and concerns. These concerns need to be balanced with providing the best aged care for our parents according to our means and the seeking of Husnul Khotimah, of finding peace and contentment in their final years,” he points out.

#### Are There Enough?

As Malaysia moves closer towards becoming a ‘super-aged’ country in less than 35 years, are there enough aged care facilities that can cope with the demands?

“Elderly people have multi-types of illness and will need a qualified multi-disciplinary team of trained staff.”

“We don’t have enough purpose-built licensed aged care facilities with professional managers and trained staff to provide quality care according to the define-specific old age illness like dementia, Parkinson’s disease, stroke, kidney failure, cancer, heart problems and frailty – just to name the common problems,” says Dr Carol.

Rashidi agrees with Dr Carol that the facilities for aged care needs are not enough, noting that the aged care sector is very under-served, especially for Muslims. That is why Seterra is pioneering a structured approach to retirement and elderly care for Muslims.

“We sincerely hope there will be more Muslim players in the industry. New standards of caregiving and infrastructure, nutritious halal food and food for the spirit are needed to ensure a dignified ageing experience, and adequate medical care are just some of the factors that needs to be put in place,” he says.

In Malaysia, developers are already noticing the potential of this market segment and have invested in building retirement villages to cater to the anticipated growing market. In the last ten years, residential property developers have begun developing aged people-friendly residences. However, this is still not enough.

Current townships have more residential apartments, commercial buildings and shopping malls as compared to aged care related facilities which is not the main attraction for buyers. But the awareness is increasing. Will an aged care friendly ecosystem in the residential building be a game-changer?

“There’s no statistic to back the claim that it will be a game-changer. But I’ve worked with developers to build aged care facilities in their township development. It’s satisfying to see that most residents can easily get the help they need anytime as the aged care operates 24/7 in such development,” Dr Carol informs.

According to her, in Singapore, every township development or common area is required to have childcare and senior citizen centers among other community facilities. It is for the convenience of those who are staying in that particular housing area.

She strongly recommends that the elderly live their old age in a neighbourhood familiar to them. Even better if it is within the same neighbourhood that is within a 5 to 10 km radius, and there is a licensed aged care facility for them.

“We need to start engaging the stakeholders that are building smart cities for sustainable living. It would be to encourage them to include aged care support infrastructure, facilities and support services.

“The government has access to all the data and surveys from MyCensus; as well as health and medical conditions of Malaysians via public hospitals and clinics from the Ministry of Health. They should be able to predict the ageing needs based on that data. That’s where all the data comes in for a better projection, planning and execution,” she notes.

Lack of professional caregivers, affordable care, elderly-friendly accommodation and other related problems would require urgent attention before the silver tsunami overwhelms the country.

#### Is Aged Care Exclusive?

Who has access to aged care? Is aged care only exclusive to those in the wealth hierarchy (aka the one who can afford it)? Dr Carol insists that aged care should be inclusive to help those, and all in need.

“We have low-cost airlines, low-cost hotels, so the same should go for aged care. We need low-cost aged care facilities with proper care for the elderly. There is a need for more affordable aged care that people in need can access,” Dr Carol explains.

Aged care should be inclusive but are they affordable especially to those in B40 or M40?

“Today, I don’t think that the B40 segment can afford aged care, while the M40 can only afford to provide aged care amongst the family if the family comes together to take care of each other and their aged parents,” Dr Carol shares.

According to her, it has to be a shared effort and shared financial responsibility depending on how each adult child plans their retirement. If the M40 does not have family, they will need help from the community such as friends and neighbours.

She emphasises on the government’s role in providing support and incentives to make aged care affordable by categorising the population data by area or township, enforcing and implementing a continuum of care services that are easily accessible.

Non-Governmental Organisations (NGOs) have been playing an active role in many segments, especially in helping those in need.

“As part of an NGO that serves the weakest and marginalised within society, we regularly encounter many of the elderly who are abandoned and left to fend for themselves,” Angela says.

She adds that the growing need to provide care, better living standards and security to this vulnerable group in society has inspired and driven them towards the development and management of ORV.

“We want an eco-friendly environment. Hence ORV is being built in Taiping, Perak – a land surrounded by lush green foliage to harness the tranquility and peacefulness from nature,” she says.

“We would also want to ensure that we are giving the opportunity to the right target group, namely the elderly, to reside in the retirement village,” Angela explains adding that the majority of those using their services are in their 60s and 70s.

### Islamic Aged Care

Aged care is needed across the board. It should be inclusive without any label, be it from a religious point of view or race.

“Out of the 1,400 aged care homes in Malaysia, none are registered as an ‘Islamic Aged Care’ home,” Rashidi informs.

On the hesitance of aged care in Malaysia especially for the Muslim community, Rashidi comments: “If one cannot take care of one’s parents because they are bedridden or seriously ill, it is the children’s responsibility to seek solutions to care for them. Letting others take care of their parents does not mean they are neglecting their duty. They are still providing for them to the best of their ability.”

The Muslim mindset about aged care or retirement homes needs to change. They must see that it is a natural progression of their own life and of their parents to undergo a new phase – to seek spiritual fulfillment, to handle all worldly issues and to have a dignified and peaceful ending with the best of care.

With the world evolving, aged care is not as typical as we think. The way we view things needs to change and come from different perspectives.

Placing your parents in an aged care facility does not mean you are abandoning your elderly parents. However, it must be followed by strict compliance as enshrined in the Quran and the Hadiths. “You still owe a very heavy duty to them and keeping your parents happy and fulfilled is still your responsibility which you cannot abdicate to a Rumah Orang Tua,” he emphasises.

### Never Too Late to Start

Have we planned on how to survive our golden years? If you are to retire, how much money do you need? Would it be sufficient to cover for the rainy days?

RM2,500 per month looks to be sufficient for retirement. But depending on one’s lifestyle during retirement, it may not be enough. “With rising inflation, this amount will not be sufficient,” says Angela.

Sadly, according to the Employees Provident Funds (EPF), around 6.1 million contributors aged below 55 or 50% of total contributors only have RM10,000 or less, which means this group of contributors may only have RM42 per month to live for another 20 years after retirement.

“It is estimated that 39.2% of our population have ZERO savings for aged care (World Bank calculations based on the Department of Statistics Malaysia, EPF and KWAP). In addition to that, almost 50% of the ageing population in Malaysia falls into the B40 category. At Seterra, it is our objective to cater to all walks of society regardless of their faith, beliefs and ethnicity,” Rashidi informs.

According to a survey on ageing conducted by Ipsos in 2018: when asked what’s the worst thing about growing old is, globally 30% of those polled responded that they personally worry about not having enough money to live on in their later years,

So, how can we prepare for our ageing needs? It is never too late to start planning for your retirement. The rising cost of living, medical expenses and inflation should be factored into our retirement planning.

“Age is just a number. Choosing to work part-time during retirement can maintain a good mental health and earn an income,” says Dr Carol.

She also suggests the need to increase the retirement age to 65 and beyond, so that people can continue working for as long as they can. “It’s not that bad. It helps you to be physically, mentally and socially active.”

As for the younger generation, here’s a piece of advice from Dr Carol.

“Save more money than what is required by EPF. This is because when you retire, you may need your savings to help your aged parents, especially when your parents’ retirement income is insufficient to take care of their health and medical care. Get ready before the storm,” she advises.

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