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The Influence of Family Factors on Reverse Mortgage Adoption Intentions Among Malaysian Homeowners

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Introduction

Malaysia is undergoing a demographic shift toward an aging population. This aging trend and longer life expectancy cause challenges to post-retirement financial sustainability. A study by Wahab (2025) indicated that many retirees deplete their savings within a few years of retirement, leading to financial insecurity among elderly. Moreover, the issue of unclaimed inheritance adds to these challenges. Large amounts of wealth remain tied up in frozen assets. By 2025, the value of unclaimed inheritance in Malaysia is expected to have exceeded RM90 billion, and this shows inefficiencies in estate management (The Malaysian Reserve, 2025).

These financial challenges are closely linked to family dynamics. In Malaysia, an aging population and insufficient retirement savings create financial pressure for the sandwich generation. This group is financially responsible for both aging parents and dependent children (Rabi & Mansor, 2024). Unclaimed inheritance also reflects families' broader reluctance to engage in financial planning, particularly regarding asset distribution. Emotional discomfort surrounding death and inheritance, coupled with limited awareness, often delays wealth management (Carballo, 2025). This delay undermines financial sustainability across generations.

Reverse mortgage is a potential solution that enables homeowners to convert housing wealth into income while remaining in their homes. However, adoption in Malaysia remains low, with only 62 cumulative approved applications under the Skim Saraan Bercagar by 2025 (Cagamas, 2026). Family factors like bequest motive, sense of home attachment, and the gender of children may influence adoption decisions in a culture where inheritance and family expectations shape financial behaviour. This study examines how these family factors influence the intention to adopt reverse mortgage.

While reverse mortgage is a potential retirement financing tool, its adoption remains low. This study provides an understanding of the family factors that influence homeowners' intention to adopt reverse mortgage. Family values act an important role in shaping attitudes toward reverse mortgage. Research from Western contexts suggests that family expectations have minimal influence on reverse mortgage decisions (Moulton et al., 2017). However, in Asian societies such as Taiwan, filial piety may discourage housing wealth liquidation (Chang et al., 2024). Research on the influence of family factors on reverse mortgage adoption in Malaysia remains limited.

Additionally, family demography, such as children's gender, may influence families' attitudes toward reverse mortgage. Although modernization has reduced gender bias, Asian societies continue to have inheritance practices influenced by patriarchal norms and preferences for sons (Chang et al., 2024). By examining family influences on reverse mortgage adoption in Malaysia, this study contributes to retirement financial sustainability in Malaysia's aging society.

This study will be guided by three research questions: (1) Does the bequest motive reduce the intention to adopt reverse mortgage? (2) Does a sense of home attachment increase the intention to adopt reverse mortgage? (3) Does the gender of children influence the intention to adopt reverse mortgage?

Aligned with the research questions, this study has three research objectives: (1) To analyse how the bequest motives affect the intention to adopt reverse mortgage; (2) To examine how a sense of home attachment affects the intention to adopt reverse mortgage; (3) To examine whether the gender of children affects the intention to adopt reverse mortgage.

Literature Review

To explain the factors influencing reverse mortgage adoption, this study applies three theories. First, Intergenerational Altruism Theoy explains the bequest motive as parents' desire to transfer wealth to their children or descendants because of altruistic concern for their welfare (Michel et al., 2004). Seniors with strong bequest motives may avoid reverse mortgage to preserve home equity for their children. Mohammed and Sulaiman (2018b) suggest that bequest motives negatively influence the adoption of reverse

mortgage. Similarly, Bhosle and Pednekar (2025) highlighted bequest concerns as a factor influencing senior citizens' financial decisions.

Second, Place Attachment Theory explains the emotional bond that individuals develop with places or physical environments (Inalhan et al., 2021). A strong sense of place attachment may positively influence seniors' behavioural intention to adopt reverse mortgage (Bhosle & Pednekar, 2025). However, Fong et al. (2023) found that home attachment may reduce reverse mortgage adoption due to concerns about losing ownership or control. Therefore, home attachment may have both positive and negative effects on adoption.

Third, Normative social influence suggests that individuals may adjust their decisions to conform to others' expectations and avoid negative evaluation (Deutsch & Gerard, 1955). In Asian cultures, inheritance norms often influence financial decisions. The gender of children may affect inheritance expectations, with sons commonly viewed as primary heirs (Shang et al., 2023). These expectations may shape seniors' decisions regarding the use of home equity through reverse mortgage.

This study examines three independent variables, namely bequest motive, sense of home attachment, and children's gender. The dependent variable is the intention to adopt reverse mortgage. Adoption intention is measured using a Likert scale. The respondents indicate their willingness to use reverse mortgage as to support retirement income or cover potential expenses (Mohammed & Sulaiman, 2018a).

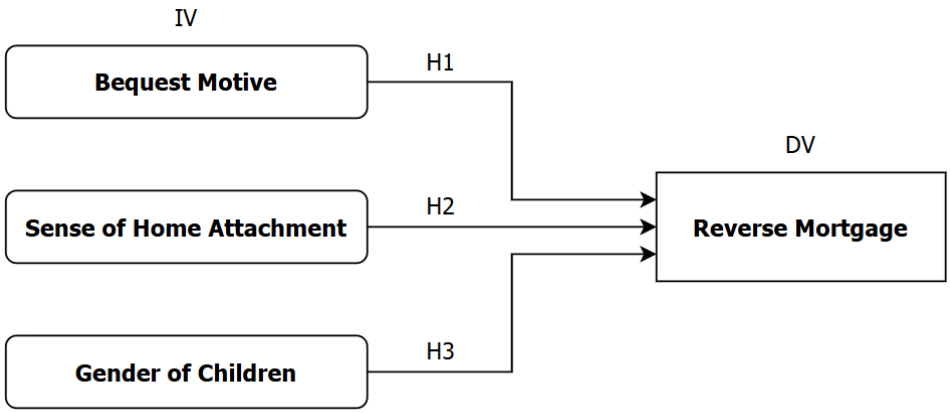
Bequest motive is measured using multiple Likert-scale items that assess respondents' intention to leave their houses to their children. Sense of home attachment is also assessed using multiple Likert-scale items (Mohammed & Sulaiman, 2018a). Children's gender is measured by recording the number of sons and daughters and analysing inheritance preferences based on gender (Chang et al., 2024). These measures assess how family-related factors influence reverse mortgage adoption intention.

Past empirical studies highlight the role of family dynamics in reverse mortgage adoption. Key factors include bequest motive, home attachment, and children's gender. A strong bequest motive may discourage adoption because reverse mortgage involve the eventual sale of property. This conflicts with the desire to preserve family assets (Bhosle & Pednekar, 2025). However, Mohammed and Sulaiman (2018a) found that a strong bequest motive positively influences use intention.

Sense of attachment also affects adoption decisions. Strong attachment may encourage adoption by allowing seniors to remain in familiar environments (Mohammed & Sulaiman, 2018a; Bhosle & Pednekar, 2025). The gender of children may also influence adoption decisions. Sons are often viewed as primary heirs, which may complicate adoption choices (Chang et al., 2024; Mohammed & Sulaiman, 2018b).

Although past studies provide insights into reverse mortgage adoption, several gaps remain. Existing research has mainly examined family factors, such as bequest motive and sense of home attachment, in other contexts (Bhosle & Pednekar, 2025; Fong et al., 2023). However, limited research has explored how these factors influence reverse mortgage adoption in Malaysia. Furthermore, previous findings on the role of bequest motive remain inconsistent. Some studies suggest that it discourages adoption, while others indicate that individuals may still consider reverse mortgage for wealth management purposes (Mohammed & Sulaiman, 2018a; Bhosle & Pednekar, 2025). Therefore, further investigation is needed within the Malaysian context.

Based on past studies and gaps, three hypotheses has been formulated: (H1) Bequest motive has a negative relationship with the intention to adopt reverse mortgage; (H2) Sense of home attachment has a positive relationship with the intention to adopt reverse mortgage.; (H3) Homeowners with male children has a negative relationship with the intention to adopt reverse mortgage.



Source: Author's own development

The conceptual framework shows that three family factors (bequest motive, sense of home attachment, and children's gender) affect the intention to adopt reverse mortgage. Homeowners' desire to leave property to heirs, emotional attachment to their homes, and cultural inheritance expectations based on gender of children all influence their decision to use reverse mortgage. These factors together shape how family dynamics impact the adoption of reverse mortgage.

Proposed Methodology

This conceptual study proposes a quantitative research design using primary data collected through a questionnaire distributed via Google Forms to Malaysian homeowners. A causal research approach will be adopted to examine the relationship between family factors and homeowners' intention to adopt reverse mortgage.

Under the proposed sampling design, the target population is Malaysian homeowners aged 55 to 65. This age range reflects EPF withdrawal eligibility at age 55 and the early retirement period. Many retirees may deplete their retirement savings within ten years (Jomo, 2017). A non-probability sampling approach, incorporating convenience and purposive sampling, will be employed. A minimum sample size of 119 and 275 respondents is estimated using G*Power and the Inverse Square Root Method, respectively. This study will target 300 respondents to ensure robust estimation.

Prior to statistical analysis, variables including bequest motive, sense of home attachment, and reverse mortgage adoption intention will be measured as continuous variables based on their Likert-scale measurements, while children's gender will be coded as a dummy variable. Data analysis will be conducted using descriptive statistics and Partial Least Squares Structural Equation Modeling (PLS-SEM), with bootstrapping applied to examine hypothesized relationships and assess model reliability, validity, and explanatory power.

Expected Results

The study is expected to demonstrate that family factors influence Malaysian homeowners' intention to adopt reverse mortgage. A stronger bequest motive is anticipated to negatively affect adoption intention, as homeowners may prioritize preserving housing assets for inheritance. Conversely, sense of home attachment is expected to influence adoption decisions by reflecting homeowners' emotional connection to their homes. Also, homeowners with male children may exhibit lower adoption intention due to stronger inheritance expectations.

Conclusion

This conceptual study proposes that family factors shape Malaysian homeowners' intention to adopt reverse mortgage. It aims to enhance understanding of family-related considerations in reverse mortgage decisions. The findings may also guide policymakers and financial institutions in developing culturally aligned policies and strategies. Lastly, the study may support retirement financial sustainability through more effective utilization of housing wealth.

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Reverse mortgage; Financial sustainability; Bequest motive; Sense of home attachment; Gender of children