

Table 2: Results of Multiple Linear Regression

Variable	Coefficient	Std. Error	t-Statistic	Prob.
Constant	4.786097	0.317650	15.06719	0.0000
$\Delta$ GAP	-1.883396	0.651164	-2.892353	0.0075
$\Delta$ GDS	0.096393	0.123840	0.778367	0.4431

Probability (F-statistic) 0.0199

R-squared 0.2517

According to the Table 2, the significance nexus between change in growth of aging population and economic growth is negative with -1.883396 coefficient by indicating the increase in aging population leads to decrease in the economic growth in Sri Lanka. The finding is also aligned with the results found by the recent empirical studies such as Bloom et al., (2010); Aigner-Walder and Doring (2012); Hock and Weil (2012) and Park and Shin (2012). However, finding is contrast with the results found by the empirical studies conducted by Li et al., (2012), Prettnner (2013) and Lee et al., (2011).

Change in gross domestic savings and economic growth seems to be positively related in Sri Lanka under the period of study but it is not significant. This finding contradicts with the findings of Bacha (1990) and Hemmi et al. (2007).

The probability of F-statistic was significant at 5 percent level by indicating the overall model significance. But the  $R^2$  of the estimated model was 0.251 implying that 25.1% of the variability in the dependent variable is explained by the predictors of change in growth of aging population ( $\Delta$ GAP) and change in gross domestic savings ( $\Delta$ GDS). The lower explanatory power indicates that existence of omitted explanatory variables on dependent variable and it may have identified as a limitation of the current study.

Table 3: Results of Diagnostic Tests

Test	Probability
Normality Test (Jarque-Bera)	0.4160
Serial Correlation (Breusch-Godfrey LM Test)	0.7159
Heteroskedasticity Test (Breusch-Pagan-Godfrey)	0.6323

Results of diagnostic tests confirms that residuals are distributed normally and the estimated model is free from serial correlation (Table 3). The probability value of BPG test indicated that the variances of the model are constant. Hence, the residual diagnostic tests revealed that the estimate model is better in predicting outcome.