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**ASESSING MONEY MANAGEMENT BEHAVIOUR AND
FINANCIAL WELL-BEING AMONG UNDERGRADUATES IN
MALAYSIA**

Amar Hisham Bin Jaaffar (a)*

*Corresponding author

(a) College of Business Management and Accounting, Universiti Tenaga Nasional, Sultan Haji Ahmad Shah
Campus, Muadzam Shah, Pahang, Malaysia, Ahisham@uniten.edu.my

Abstract

Undergraduates usually don't have their own income and relied on their family support and education loan to survive during their study. They are limited number of study focusing on undergraduates' money management behaviour (e.g. conservative, creative, and entrepreneurial) and it relationship with their financial well-being (e.g. Perceived financial well-being and current money management stress). This study has been conducted on 96 undergraduates from business management and accounting background of one of the private university in Malaysia. A self-administered questionnaire were distributed to 150 final year's undergraduate and 96 questionnaires completed questionnaire were return back. A multiple-regression analysis were performed using IBM SPSS Statistic v26. Results show that undergraduates' with creative management behaviour tend to have strong perceived financial well-being, while undergraduates' with conservative management behaviour faced money management stress. Results indicates that undergraduates need to be creative in their money management rather than conservatively manage their money. Given the insignificant relationship found on entrepreneurial money management behaviour, this paper suggest that university need to enhance their entrepreneurial related education to boost student perceived financial wellbeing after they graduated.

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Keywords: Money management behaviour, financial well-being, money management stress, undergraduates.

1. Introduction

Producing undergraduates with full quality are becoming the high priorities by all higher education institutions. Undergraduates which majority came from Millennials generation cohorts can be regarded as important assets to country like Malaysia since it has been found that undergraduates contribute significantly to the country's Gross Domestic Product (GDP) (Seuk, 2017). Beside the academic achievement and employability skills, money management competency is becoming important for undergraduate to face the turbulence environment in the job market (Jaaffar et al., 2016). Previous study found that Malaysian undergraduates possessed weak money management skills due to lack of knowledge in handling their financial aspect (Dahlia et al., 2009). Moreover, undergraduates were exposed to bad habits such as pending for the unnecessary things such as smart phone or go to vacation in oversea although they still studying. This kind of bad habits certainly will effected their current financial wellbeing and escalate their money management stress.

Knowledge on money management behaviour is very important to undergraduate as it will spur their saving habits and become independent without too much depending on their educational loans or education scholarship and their parents (Mehwish & Muhammad, 2016). Undergraduates' negative feeling of their future financial wellbeing and faced money management stress usually have low high quality of work and life (Bamforth & Geursen, 2017). As the situation become worsen, it will effect undergraduates' confidence and decrease the quality of their money management decision (Howson & Dwyer, 2014). Previous studies revealed that money management behaviour learnt by undergraduates during their university's life is probably to be carried forward in their later life (Bamforth et al., 2017). Therefore it is very important to understand the current type of undergraduates' money management behaviour and its implication on their future financial well-being. This kind of behaviour also will be very useful to be understand by the employee along the others undergraduates' employability related skills (Ibrahim & Jaaffar, 2017).

2. Problem Statement

Malaysia Economic Monitor Report by World Bank estimates that around 60 percent of the bankrupt individuals in this country were from millennials generation cohort (aged 24 to 44) (Record et al., 2019). The bankruptcy of millennial generation in Malaysia was reported mainly due to their spending habits that exceeding their income. It is very important for millennial in Malaysia to have knowledge and skills related to money management behaviour in order to mitigate this problem. Previous study has revealed that there were many advantages of right money management behaviour including achieved financial security, achieved good physical and mental health, and gain of the money (Topa et al., 2018).

There are several factors that have been found to influence money management behaviour such as economic factors, sociological factors, psychological factors (Bamforth & Geursen, 2017). This factors will influences the type of undergraduate's management behaviour such creative, conservative, and entrepreneurial money management behaviour (Nga & Yeoh, 2015). The undergraduate's money management behaviour will determine the current financial well-being and current money management stress of the undergraduate. This study contributes to the body of knowledge related to undergraduates' financial well-being, and money management behaviour.

3. Research Questions

The research question for this current study is as follows: What are the effects of undergraduates' money management behaviour (e.g., conservative, creative, and entrepreneurial) on their financial well-being and money management stress?

4. Purpose of the Study

The purpose of the present study is to assess the effects of undergraduates' money management behaviour (e.g. conservative, creative, and entrepreneurial) on their financial well-being and money management stress.

5. Research Methods

To conduct this study, the conceptual definition and operationalization of undergraduate's financial well-being, money management stress, and money management behaviour were identified based on previous literature. Financial well-being can be regarded as a "financial freedom where individuals can make their life decision without needing to consider their financial constraint" (Brüggen et al., 2017, p. 3). Money management stress can be defined as "financial anxiety or money worries" (Heo et al., 2020, p. 1). This study conceptualised money management behaviour based on three types including conservative, creative, and entrepreneurial (Bamforth & Geursen, 2017). Conservative money management is the process of the individual to manage the money based on traditional or usual ways people do it, creative money management is the way of individual to do something different or unique to manage the money, while entrepreneurial money management is the risk-taking behaviour by investing the money to achieve the desire outcomes.

The current study gathered 96 completed questionnaires distributed to 150 final years' undergraduate of business management and accounting undergraduates from one of the private university in Malaysia. All self-administered questionnaires were distributed through drop and pickup technique. The questionnaire consists of two parts. The first part is generally for exogenous and endogenous variables and the second part explains the respondent's profile. The measurement for financial well-being and money management stress were adopted from (Netemeyer et al., 2018). While, the measurement for money management behaviour were adapted from (Bamforth & Geursen, 2017). Table 01 summarizes the constructs and sources adapted in this current study. The data was tested using IBM SPSS Statistic v26.

Table 01. Constructs and sources

Construct/Number of items	Source	Scale
Perceived future financial well-being (5 items) Current Money Management Stress	Netemeyer et al., (2018)	1 = Strongly disagree – 5 = Strongly agree
Money Management Behaviour	Bamforth & Geursen, 2017	1 = Does not describe me at all – 5 = Describe me very well

Conservative Money Management Behaviour (5 items)		
Creative Money Management Behaviour (5 items)		
Entrepreneurial Money Management Behaviour (5 items)		

In addition, Figure 01 shows a conceptual framework used in this current study. The framework indicate the money management behaviour such as conservative, creative, and entrepreneurial as a exogenous factors and while, perceived future financial well-being and money management stress as endogenous constructs.

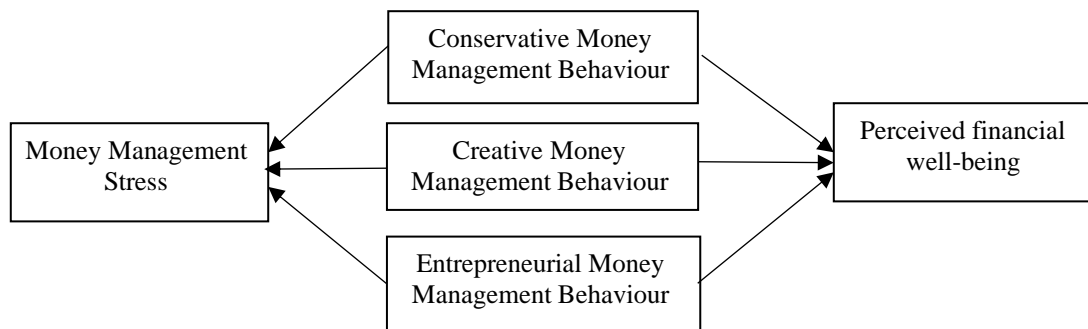


Figure 01. Conceptual framework

6. Findings

Table 02 shows the demographics statistic of the study. In term of internal consistency of the measurement used for this study, the Cronbach' alpha for conservative money management behaviour items are 0.715, creative money management behaviour items are 0.741, entrepreneurial money management behaviour items are 0.743, perceived financial well-being items are 0.800 and money management stress items are 0.871. Based on the values of Cronbach' alpha for all constructs it can be consider that all item fulfilled the condition of reliability.

Table 02. Demographic Statistics

Demographics	Category	Frequency	Percentage
Gender	Male	61	63.5
	Female	35	36.5
Races	Malays	82	85.4
	Chinese	3	3.1
	Indian	11	11.5
Ages	>=25 years old	10	10.4
	<25 years old	86	89.6
Family Income	B40	11	11.5
	M40	81	84.4
	T20	4	4.2

Table 03 shows the multiple regression results between money management behaviour and perceived financial well-being among undergraduates. Result shows only creative money management behaviour has a positive significant effect on perceived financial well-being. Table 04 highlights the multiple regression results between money management behaviour and money management stress among undergraduates. Result shows only conservative money management behaviour has a positive significant effect on money management stress.

Table 03. The multiple regression results between money management behaviour and perceived financial wellbeing

	Unstandardized Beta	Unstandardized Standard Error Beta	Standardized Coefficients Beta	T value	Sig
(Constant)	1.471	.311		4.728	.000
Mean_Conservative	.065	.177	.063	.366	.715
Mean_Creative	.396	.178	.384	<u>2.220</u>	<u>.029</u>
Mean_Entrepreneurial	.081	.158	.080	.514	.609

Statistically significant values are underlined.

Table 04. The multiple regression results between money management behaviour and money management stress

	Unstandardized Beta	Unstandardized Standard Error Beta	Standardized Coefficients Beta	T value	Sig
(Constant)	1.653	.440		3.760	.000
Mean_Conservative	.552	.249	.418	<u>2.213</u>	<u>.029</u>
Mean_Creative	.064	.252	.048	.253	.801
Mean_Entrepreneurial	-.336	.223	-.258	-1.507	.135

Statistically significant values are underlined.

7. Conclusion

The findings reveal that creative money management behaviour has positive significant relationship with perceived financial well-being. This result indicate that undergraduates need to be creative in money management behaviour by spending their money differently and uniquely from their peers. For instance, undergraduate can spend their money in line with their current need, but the same time they need to save their money in the investment channel such as public mutual and so on. Furthermore, it has been found that conservative money management behaviour leads to money management stress. Given the norms of undergraduates that have limited income, they may face stress situation if they feel their current financial cash flow is not enough to cater their present and future need as they may not brave enough to multiply their own money by following the way of creative individual in term of money management behaviour. Surprisingly, the results show that there were not significant result found on entrepreneurial money management behaviour and perceived financial well-being or money management stress. The result indicates the low level entrepreneurial money management knowledge among undergraduates.

This study contributes to the body of knowledge related to financial well-being and money management behaviour among undergraduates. Practically this study shows that university need to provide

money management education to undergraduate in order for them to survive when they enter to job market. This study has some limitation as it focus only undergraduates from one private university in Malaysia. Therefore, the results cannot be generalized to entire population of undergraduates in Malaysia. Future study can cover all undergraduates from public and private universities in Malaysia.

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