

THE INFLUENCE OF FINANCIAL KNOWLEDGE, FINANCIAL PRACTICES AND SELF-ESTEEM ON MONEY MANAGEMENT SKILLS OF YOUNG ADULTS

TEO TZE JUEN, MOHAMAD FAZLI SABRI, HUSNIYAH ABD RAHIM,
MOHD AMIM OTHMAN & AFIDA MASTURA MUHAMMAD ARIF

ABSTRACT

The main purpose of this study was to examine the influence of financial knowledge, financial practices, and self-esteem on money management skills among young adults in Malaysia. Multi-stage random sampling technique was applied as the sampling technique in this study. There were 480 respondents who participated in this study. The data were collected through self-administered questionnaire. The finding revealed that money management skills is positively correlated with financial knowledge ($r = .363$, $p = .000$), financial practices ($r = .301$, $p = .000$), and self-esteem ($r = .376$, $p = .000$). This study concluded that financial knowledge, financial practices, and self-esteem were significant predictors for money management skills among young adults, where financial practice was the biggest contributor of money management skills. Findings of this study are useful for professionals and educators in helping young adults to prevent from financial crisis. Furthermore, future research is suggested to increase the sample size so that the results can be generalized to young adults in Malaysia as a whole. In addition, future research is suggested to include more possible predictors as independent variable. This improvement will help to identify the greatest or other possible predictor for money management skills among young adults.

Keywords: *Financial knowledge, Financial Practices, Self-Esteem, Money Management Skills.*

ABSTRAK

Kajian ini bertujuan untuk menentukan pengaruh pengetahuan kewangan, tingkah laku kewangan dan esteem diri terhadap kemahiran pengurusan kewangan dalam kalangan dewasa muda di Malaysia. Pensampelan rawak berperingkat telah digunakan sebagai kaedah pensampelan. Seramai 480 orang responden telah terlibat dalam kajian ini. Data dikumpulkan dengan menggunakan borang soal selidik. Hasil kajian menunjukkan kemahiran pengurusan kewangan mempunyai perkaitan positif dengan pengetahuan kewangan ($r = .330$, $p = .000$), tingkah laku kewangan ($r = .386$, $p = .000$) dan esteem diri ($r = .347$, $p = .000$). Kesimpulannya, pengetahuan kewangan, tingkah laku pengurusan kewangan, dan esteem diri merupakan pengaruh yang signifikan ke atas kemahiran pengurusan kewangan dalam kalangan dewasa muda, di mana tingkah laku pengurusan kewangan merupakan penyumbang terbesar kepada kemahiran pengurusan kewangan dalam kalangan responden kajian. Hasil kajian ini adalah bermanfaat kepada profesional dan pendidik supaya dapat membantu golongan

dewasa muda untuk mengelakkan diri daripada krisis kewangan. Disarankan agar kajian akan datang dapat meluaskan lokasi kajian dan melibatkan sampel yang lebih besar agar dapatan kajian dapat digeneralisasikan kepada dewasa muda Malaysia secara keseluruhan. Kajian akan datang juga disarankan agar melibatkan lebih banyak faktor lain sebagai pemboleh ubah bebas (predictor). Ini akan membantu untuk mengenal pasti faktor yang mempengaruhi kemahiran pengurusan kewangan dalam kalangan dewasa muda.

Kata Kunci: *Pengetahuan Kewangan, Tingkah Laku Kewangan, Esteem Diri, Kemahiran Pengurusan Kewangan*

INTRODUCTION

Young adulthood is a transition stage between adolescence and middle adulthood. A number of changes will occurred during young adulthood. Major changes occurred in the area of role transitions, family capacities, norm compliance, individualistic transitions, legal transitions, and biological transitions (Arnett, 2011). For example, most of the young adults will leave their home and engage in a career during this stage. Erikson (1963) suggested in his Psychosocial Stages, the development task during young adulthood is intimacy versus isolation. Thus, many young adults are seeking for long-term intimacy relationship. They will get married with their partner and have their own family during this stage.

With the increasing trend of credit card usage and online shopping, young adults are more likely to involve in higher spending, heavier debt, and impulsive purchasing. Although young adults will have their own career and start to achieve for better financial status during this stage, they are heavily dependent on credit card usage. High dependent on credit card without deep planning will lead them in to higher debt. In the survey conducted by Lachance (2012), almost 50% of the young adults reported that debt is inevitable. Moreover, 77.4% reported for having at least one credit card. Lachance (2012) also found that the number of credit card holders during year 2012 is 75% more than the total card holders during 1994. This clearly showed the increasing dependent on credit card usage among young adults during in recent years. In year 2007, there are a total of 1011 people declared bankrupt due to credit card debt (Noordin, Zakaria, Sawal, Ngah, & Hussin, 2009). 564 people from these people were aged below 30 years old. This phenomenon clearly showed the poor money management skills among young adults. Sharma (2004) also mentioned that poor money management skills will put young adults in poor financial situation and bankruptcy. Sharma (2004) found that many university students and young adults are forced to work part-time to overcome their excessive expenses.

Credit Counselling Society of British Columbia (n.d.) defines money management skills as the ability to save and budget money as well as manage credit. Credit

Counselling Society of British Columbia (n.d.) has suggested that people with money management skills are able to spend their money wisely. Seeing the many financial advantages from money management skills, it is proven that money management skills are important soft skills that are needed by everyone. However, past researchers found that many young adults in Malaysia are lack of money management skills (Sharma, 2004; Ibrahim, Harun, & Isa, 2010; Delafrooz and Paim, 2011). Ibrahim et al. (2010) further explained that when young Malaysians have money in their hand, they will spend it without thinking much. They fail to budget and spend their money in better purpose. This showed that they are less skillful in money management.

There are a few predictors for money management skills, which are financial knowledge, financial practices, and self-esteem. Past research suggested that financial knowledge was a significant predictor for money management skills (Sharma, 2004). Financial knowledge can be defined as the ability to apply financial knowledge in making financial decisions (Hung, Parker, & Yoong, 2009). However, past research claimed that young adults reported low level of financial knowledge (Lusardi, Mitchell, & Curto, 2010). Lusardi et al. (2010) found that many young adults failed to understand basic financial knowledge, such as interest rates, inflation and risk diversification. Similarly, Samy, Nagar, Huang, and Tawfik (2008) also found that most of the young adults possess low level of financial literacy (knowledge). The researchers further explained that poor numerical skill among young adults and the complexity of the financial world are the root cause for this problem. Sharma (2004) conducted a research to determine the financial literacy among young Malaysians. As expected by the researcher, many respondents reported low level of financial literacy. Sharma (2004) further explained that poor financial literacy has led to weak money management skills among young adults. This is due to the fact that they do not have proper understanding on financial issues. Therefore, they fail to manage their money wisely.

Furthermore, financial practice also displays a positive relationship with money management skills. Dowling, Corney, and Hoiles (2009) defined financial practice as a set of behaviour which include cash management, credit management, financial planning, investments, insurance, retirement planning, and estate planning. Falahati, Paim, Ismail, Haron, and Masud (2011) conducted a survey to study financial practices skills among young Malaysians. Surprisingly, the researchers found that many university students in Malaysia are lack of financial management skills and do not practice healthy financial management. Falahati et al. (2011) claimed that only 5% of students are financially skilled. Although some of the students are financially literate, however, they do not practice financial management in daily life. In addition, Delafrooz and Paim (2011) also claimed that people with financial practices tend to have better money management skills. According to findings of Delafrooz and Paim (2011), people with positive financial practices are reported to have more savings than people who do not practice financial management. Similarly, Hayhoe, Leach, Turner, Bruin, and Lawrence (2000) found that people with positive financial management skill display stronger money management skills.

Self-esteem was proven to be a predictor for money management skills. Self-esteem can be defined as how people view themselves (Teoh & Nur Afifah, 2010). Self-esteem was proven to have a direct positive impact on money management skills. People with high self-esteem are more skillful in money management. Verplanken, and Sato (2011) suggested that people with low self-esteem are more likely to make purchase decision impulsively, which is a sign of poor money management skills. This is due to impulsive buying will help them to reduce or avoid the feelings of lacking self-esteem. In addition, Hameed, Soomro, and Hameed (2012) claimed that people with low self-esteem tend to involve in compulsive buying. Compulsive buying is an irrational buying pattern because they are impulsively driven to purchase and failed to control this maladaptive behavior. Therefore, it shows that they do not manage their money wisely.

Based on the above overview, this study examined the influence of financial knowledge, financial practices, and self-esteem on money management skills of young adults in Malaysia.

MATERIAL AND METHOD

Sampling Technique

Multi-stage random sampling technique was used among young executives in center zone of Peninsular Malaysia. Center zone consists of five states which is Wilayah Persekutuan Kuala Lumpur, Wilayah Persekutuan Putrajaya, Perak, Negeri Sembilan and Selangor. Four states in center zone were randomly selected in the first stage which is Wilayah Persekutuan Kuala Lumpur, Wilayah Persekutuan Putrajaya, Perak, and Selangor. A total of 520 questionnaires were distributed to the four chosen states, each states were given 130 questionnaire. 5 departments were randomly chosen from each state. Thus 26 respondents were randomly chosen from each department. Questionnaire was distributed to the person in charge from each department. The target respondents were all below age 40. Respondents were randomly selected from each department approved by person in charge based on the requirement of this study. Hence, the selection of respondents was depending on the person in charge. However, there were only 480 respondents participated in this study. At Wilayah Persekutuan Kuala Lumpur, only 114 questionnaires were returned. 108 questionnaires collected from Wilayah Persekutuan Putrajaya. 130 questionnaires collected back from Perak and 128 questionnaires were collected from Selangor. Hence, the returned rate for this study is 92.3%. Based on the formula adopt from Israel (2009), the total of 480 data are enough for this study.

Instrumentation

Self-administered questionnaire was used in this study which consists of four sections. Section A consists of questions for financial knowledge. Section B consists of questions for financial practices. Section C consists of questions for self-esteem. Section D consists of questions for money management skills.

In section A, young adults' financial knowledge was measured concerning on financial goal, savings, investment, banking system, wills, insurance, financial records and others. There are a total of 34 items for this section which required respondents to answer a simple true - false question. For example, a) Credit card owner can spend without limit, b) Employment Provident Fund (EPF) contributions are just enough to cover the old days and so forth.

Section B consist a total of 14 items in measuring respondents' financial practices with "Never", "Sometimes" and "Always" answer. For example, a) Do you keep your expenses record, b) Do you clear your bill in time and so forth.

Section C measured on respondents' self-esteem. Self-esteem consist with 10 items that used to describe how respondent view themselves with a five point Likert scale from strongly disagree (1) to strongly agree (5). For example, a) Sometimes I feel that I am good in all aspect; b) I hope I will have more respect for myself.

Money management skills in section D was used to measure the respondents' ability in managing their finances by using 11 items. Five point Likert scale from no skill at all (1) to very skillful (5). For example, a) Are you able to determine the type and amount of insurance payable b) Can you determine financial use for future.

Reliability Test

All of the instruments had been tested under a reliability test. The Cronbach's alpha value for financial knowledge scale (.802), financial practice Scale (.590), self-esteem scale (.715), and money management skills Scale (.877) were adequate. In conclusion, all instruments are generally reliable. The results are displayed in Table 1.

Table 1: Reliability Analysis of Scales (n= 480)

Scale	Number of item	Cronbach's alpha
Financial knowledge	36	.802
Financial practice	10	.650
Self-esteem	10	.715
Money management skills	11	.877

RESULTS AND DISCUSSION

Respondent Background

Descriptive statistics was used to determine the frequency distribution, percentage, mean, standard deviation, minimum, and maximum value of the variables. There are a total of 480 respondents who was involved in this study with 172 males (35.8%) and 308 females (64.2%).

The respondents were between 20 and 40 years old (Mean= 31.25, SD.= 4.986). A large proportion of the respondents (68.0%) were between 25 to 34 years old. 92.3% of the respondents were Malay, 3.3% respondents were Chinese and the remaining respondents were Indian and others. Result from Population and Housing Census of Malaysia (2010) claimed that the Malay ethnic contains 67.4% from Peninsular Malaysia, this can be explained that why the majority respondents in this study were Malay.

The mean monthly family income of the respondents was RM 2,619.40 (SD.= 2041.549). A total of 65.3% of the respondents earn monthly income between RM 1,000 to RM2,999. The results are presented in Table 2.

Table 2: Respondent's Characteristics (n=480)

Variable	n	%
Age (Years)		
20-24	27	5.6
25-29	164	34.2
30-34	162	33.8
35-39	86	17.9
40 and above	41	8.5
Mean= 31.25, SD.= 4.986		
Min.= 20, Max.= 51		
Gender		
Male	172	35.8
Female	308	64.2
Ethnicity		
Malay	443	92.3
Chinese	16	3.3
Indian	15	3.1
Others	6	1.3
Monthly Income (RM)		
<1000	14	3.1
1000-1999	172	38.5
2000-2999	120	26.8
3000-3999	74	16.6
4000-4999	27	6.0
>4999	40	8.9
Mean= 2619.40, SD.= 2041.549		
Min.= 300, Max.= 30000		

Note: SD. = Standard deviation, Min. = Minimum, Max. = Maximum

Based on the findings, most of the respondents (67.1%) have a misperception that owning credit card will increase their buying power. In addition, most (of the respondents 67.3%) was not aware or do not know that buying on credit will

reduce the purchasing power in future. There are 66% of the respondents who do not know the requirements for applying a credit card, this is due to they failed to answer Question 10 correctly. This showed that they are lack of knowledge towards credit card. Many (40.2%) of the respondent do not know the function of Counseling and Debt Management Agency (CCDMA). At the same time, almost half of the respondents are lack of understanding about takaful. According to Question 21, majority of the respondents (78.4%) showed low understanding on interest rate. The results are presented in Table 3.

Table 3: Financial Knowledge (n=480)

No.	Items	True (%)	False (%)	Do Not Know (%)
1.	Credit card owner can spend without limit	74 (15.4)	374 (77.9)	32 (6.7)
2.	Owning credit card will increase the buying power of the person	322 (67.1)	120 (25.0)	38 (7.9)
3.	Cash withdrawals using a credit card is a low-cost financial resources	49 (10.2)	303 (63.1)	49 (26.7)
4.	Buy on credit will reduce the purchasing power in the future	157 (32.7)	199 (41.5)	124 (25.8)
5.	There is no charge for cash withdrawals by credit card	30 (6.2)	330 (68.8)	120 (25.0)
6.	High deposit payment will reduce the cost of a loan	377 (78.5)	51 (10.6)	52 (10.8)
7.	The cost of cash purchase is lower than credit purchase	422 (87.9)	32 (6.7)	26 (5.4)
8.	Counseling and Debt Management Agency (CCDMA) offers financial loans	56 (11.7)	231 (48.1)	193 (40.2)
9.	The longer the repayment period, the lower the overall cost of the loans	80 (16.7)	345 (71.9)	55 (11.5)
10.	Credit card applicants should have at least RM24,000 income per year	163 (34.0)	63 (13.1)	254 (52.9)
11.	Increasing of the food prices will reduce the purchasing power	360 (75.0)	75 (15.6)	45 (9.4)
12.	We have overspend when withdraw savings to buy daily necessary	392 (81.7)	61 (12.7)	27 (5.6)
13.	A person can spend more than 40% of its net income to pay the monthly installments	189 (39.4)	129 (26.9)	162 (33.8)
14.	Balance sheet show the financial status of the person	350 (72.9)	35 (7.3)	95 (19.8)
15.	Statement of cash flows (earning) show the income and expenses of the family on a certain date	335 (69.8)	29 (6.0)	116 (24.2)
16.	System credit reference information (CCRIS) are credit bureaus that collect, process, create a credit information	213 (44.4)	20 (4.2)	247 (51.5)
17.	A guarantor for a loan can also be declared as bankrupt	352 (73.3)	36 (7.5)	92 (19.2)
18.	Individuals who have declared bankruptcy are not allowed to apply for a loan than RM1,000	131 (27.3)	58 (12.1)	291 (60.6)

No.	Items	True (%)	False (%)	Do Not Know (%)
19.	A person may be declared bankrupt for failing to pay debts of RM30,000	152 (31.7)	49 (10.2)	279 (58.1)
20.	Storage is surplus income after deducting expenses	358 (74.6)	81 (16.9)	41 (8.5)
21.	Regular savings account interest rate (savings account) higher than regular savings account interest rate (fixed deposit)	77 (16.0)	201 (41.9)	202 (42.1)
22.	All forms of investment is always profitable	143 (29.8)	258 (53.8)	79 (16.5)
23.	A family are recommended to have emergency savings of at least 3 months income	381 (79.4)	23 (4.8)	76 (15.8)
24.	EPF contribution are just enough to cover the old days	46 (9.6)	398 (82.9)	36 (7.5)
25.	Family do not need Will	24 (5)	414 (86.2)	42 (8.8)
26.	The Islamic banking is using interest-free method.	221 (46)	123 (25.6)	136 (28.3)
27.	Deposit with Islamic banking have higher interest rates and different returns	110 (22.9)	112 (23.3)	258 (53.8)
28.	Islamic banking borrowing costs are not fixed and depend on the business outcome	145 (30.2)	93 (19.4)	242 (50.4)
29.	The concept of Islamic banking investment can invest with you according to the method of profit sharing (mudharabah) only	153 (31.9)	75 (15.6)	252 (52.5)
30.	Takaful using a combination of the Tabarru '(donation) obligation of mutual, mudharabah (profit-sharing) and wakalah between the operator and the insured	189 (39.4)	19 (4)	271 (56.5)
31.	Takaful funds can only be invested in instruments that meet the sharia	235 (49)	16 (3.3)	229 (47.7)
32.	Takaful plan is divided into two, general takaful and family takaful	233 (48.5)	27 (5.6)	220 (45.8)
33.	Takaful contract is based on the principle of utmost good faith (trust) that you need to disclose relevant information	139 (28.9)	57 (11.9)	284 (59.2)
34.	Interest method for unsecured loans such as personal loans are usually lower than the interest rate secured loans such as home loans	135 (28.2)	100 (20.8)	245 (51)

By reviewing on previous research (Sabri, MacDonald, Hira, & Masud, 2010), total financial knowledge score was categorized into three categories by dividing the gap between maximum and minimum point into three even ranges. The average score for financial knowledge is 17.65. The three categories are low (0-10), moderate (11-21), and high financial knowledge (22-31). More than two third (63.3%) of the respondents were under the moderate level of financial knowledge. The results are presented in Table 4.

Table 4: Financial Knowledge (n=480)

Variable	n	%
Financial Knowledge		
Low (0-10)	45	9.4
Moderate (11-21)	304	63.3
High (22-31)	128	26.7
Missing	3	0.6
Mean= 17.65, SD.= 5.540		
Min.= 0, Max.= 31		

Note: SD. = Standard deviation, Min. = Minimum, Max. = Maximum

Based on the findings, majority of the respondents (89.1%) keeps daily record to record their expenses. Almost all (95.8%) of the respondents prepare budget to plan for expenses. This clearly showed that most of the respondents are practicing a healthy money management practices. However, almost half (49.4%) of the respondents depend on jobs, overtime, commission, or bonus for living. This might due to the increasing cost of living. The results are presented in Table 5.

Table 5: Financial Practices (n=480)

No.	Items	Never (%)	Sometimes (%)	Always (%)
1.	Keep an expenses record	52 (10.8)	302 (62.9)	126 (26.2)
2.	Plan for expenses or budget	20 (4.2)	225 (46.9)	235 (49)
3.	Keep investing every month	87 (18.1)	207 (43.1)	186 (38.8)
4.	Lease of goods for cash	378 (78.8)	87 (18.1)	15 (3.1)
5.	Loan payment/ credit made on schedule	51 (10.6)	105 (21.9)	324 (67.5)
6.	Clear all the bill in time (utility bill)	17 (3.5)	94 (19.6)	369 (76.9)
7.	Using credit facilities even for daily use	285 (59.4)	153 (31.9)	42 (8.8)
8.	Borrow money from family, partner, friends or supervisor	300 (62.5)	163 (34.0)	17 (3.5)
9.	Try to settle the loan/ debts earlier	23 (4.8)	195 (40.6)	262 (54.6)
10.	Borrow money from loan sharks or illegal loan sharks	439 (91.5)	31 (6.5)	10 (2.1)
11.	Decrease common spending to meet financial constraint	57 (11.9)	291 (60.6)	132 (27.5)
12.	Minimize tax payment (Keep receipts book)	176 (36.7)	162 (33.8)	142 (29.6)
13.	To pay zakat	111 (23.1)	120 (25.0)	249 (51.9)
14.	Depends on jobs, overtime, commission/ bonus for living	243 (50.6)	182 (37.9)	55 (11.5)

According to Dowling et al. (2009), total financial practices score was categorized into three categories by dividing the gap between maximum and minimum point into three even ranges. The average score for financial practices is 20.12. The three categories are low (8-15), moderate (16-21), and high financial practice (22-28). About half of the respondents (50.0%) fall under moderate financial practice. The results are presented in Table 6.

Table 6: Financial Practices (n =480)

Variable	n	%
Financial Practices		
Low (8-15)	55	11.5
Moderate (16-21)	240	50.0
High (22-28)	185	38.5
Mean= 20.12, SD.= 3.509		
Min.= 8, Max.= 28		

Note: SD. = Standard deviation, Min. = Minimum, Max. = Maximum

Total self-esteem score was categorized into three categories by dividing the gap between maximum and minimum point into three even ranges (Rosenberg, 1965). The average score for self-esteem is 36.73. The three categories are low (21-31), moderate (32-40), and high self-esteem (41-50). Higher percentage of the respondents (71.5%) falls under moderate self-esteem. The results are presented in Table 7.

Table 7: Self-Esteem (n=480)

Variable	n	%
Self-Esteem		
Low (21-31)	56	11.7
Moderate (32-40)	343	71.5
High (41-50)	81	16.9
Mean= 36.73, SD.= 4.505		
Min.= 21, Max.= 50		

Note: SD. = Standard deviation, Min. = Minimum, Max. = Maximum

Total money management skills score was categorized into three categories by dividing the gap between maximum and minimum point into three even ranges (Nick, 1997). The average score for money management skills is 35.73. The three categories are low (11-26), moderate (27-40), and high money management skills (41-55). More than two third of the respondents (63.1%) had moderate level of money management skills. The results are presented in Table 8.

Table 8: Money Management Skills (n=480)

Variable	n	%
Money management skills		
Low (11-26)	43	9.0
Moderate (27-40)	303	63.1
High (41-55)	122	25.4
Missing	12	2.5
Mean= 35.73, SD.= 7.795		
Min.= 11, Max.= 55		

Note: SD. = Standard deviation, Min. = Minimum, Max. = Maximum

Bivariate Analysis

Pearson correlation analysis was used to determine the relationship between financial knowledge, financial practices, self-esteem, and money management skills. The Pearson coefficient (r) value for financial knowledge and money management skills is .334 with the value of significant r (2-tailed), $p = .000$. In this case, significant r (2-tailed) is smaller than Alpha (α). Therefore, there was a significant correlation between financial knowledge and money management skills. It is a positive correlation between these two variables, which indicates that the higher the financial knowledge, the greater the money management skills. The results are presented in Table 9.

Table 9: Correlation of Financial Knowledge and Money Management Skills

Variable	Money management skills	
	r	p
Financial Knowledge	.334	.000

The r value for financial practices and money management skills is .412 with the value $p = .000$. In this case, significant r (2-tailed) is smaller than Alpha (α). Therefore, there was a significant correlation between financial practices and money management skills. It is a positive correlation between these two variables, which indicates that the better the financial practices, the greater the money management skills. The results are presented in Table 10.

Table 10: Correlation of Financial Practices and Money Management Skills

Variable	Money management skills	
	r	p
Financial Practices	.412	.000

The r value for self-esteem and money management skills is .353 with the value $p = .000$. In this case, significant r (2-tailed) is smaller than Alpha (α). Therefore, there was a significant correlation between self-esteem and money management skills. It is a positive correlation between these two variables, which indicates that the higher the self-esteem, the better the money management skills. The results are presented in Table 11.

Table 11: Correlation of Self-Esteem and Money Management Skills

Variable	Money management skills	
	r	p
Self-Esteem	.353	.000

Multivariate Analysis

Multiple regression analysis was used to determine the significant predictors for money management skills among young adults. The F value is 54.849 with the value of significant F is .000. F value is significant because the value of significant F (p) is smaller than Alpha (α) where Alpha (α) is set at .05. Therefore, the model is significant. The significant predictors in this model were financial knowledge, financial practices, and self-esteem. The β value for financial knowledge was .201 with the significant t value of .000. The β value for financial practices was -.288 with the significant t value of .000. The β value for self-esteem was .214 with the significant t value of .000. All the variables in this model = .263). The result revealed that financial practices contribute most to money management skills among young adults. The results are presented in Table 12.

Table 12: Multiple Regression Analysis for Money Management Skills

Variable	B	S E B	β
Financial Knowledge	.283	.059	.201***
Financial Practices	.644	.097	.288***
Self-Esteem	.375	.075	.214***
R^2	.263		
Adjusted R^2	.258		
F	54.849***		

Note: *** $p < 0.001$

CONCLUSION

Based on the findings of this study, significant relationship was found between financial knowledge, financial practice, self-esteem, and money management skills. In addition, financial practices contribute most to the money management skills among young adults. As the findings indicate that financial practices is the largest contributor for money management skills, educators and professionals should plan related program to enhance financial practices among young adults. Future research is suggested to include more predictors for money management skills among young adults as the independent variables. This will help to identify predictor for money management skills in wider scope. Financial satisfaction, financial stress, debt management, and credit card usage are some examples of possible predictors.

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Profil Penulis:

*Teo Tze Juen,
Jabatan Pengurusan Sumber dan Pengajian Pengguna
Fakulti Ekologi Manusia,
Universiti Putra Malaysia*

*Mohamad Fazli Sabri
Jabatan Pengurusan Sumber dan Pengajian Pengguna
Fakulti Ekologi Manusia,
Universiti Putra Malaysia*

*Husniyah Abd Rahim
Jabatan Pengurusan Sumber dan Pengajian Pengguna
Fakulti Ekologi Manusia,
Universiti Putra Malaysia*

*Mohd Amim Othman
Jabatan Pengurusan Sumber dan Pengajian Pengguna
Fakulti Ekologi Manusia,
Universiti Putra Malaysia*

*Afida Mastura Muhammad Arif
Jabatan Pengurusan Sumber dan Pengajian Pengguna
Fakulti Ekologi Manusia,
Universiti Putra Malaysia*