

MALAYSIAN MILLENNIAL'S FINANCIAL LITERACY: FUTURE ORIENTATION AS KEY INDICATOR



Dr. Rudy Ansar; Assoc. Prof. Dr. Mohd Rahimie Abd Karim;
Dr. Brahim Chekima; Dr. Suddin Ladda; Dr. Lim Ming Fook;
Assoc. Prof. Dr. Zaiton Osman; Mohd Noor Hidayat Jimainal;
Dr. Wong Sing Yun

Faculty of Business, Economics and Accountancy,
Universiti Malaysia Sabah

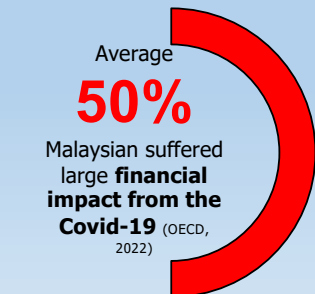
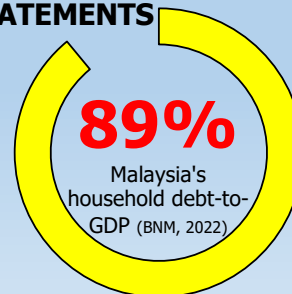
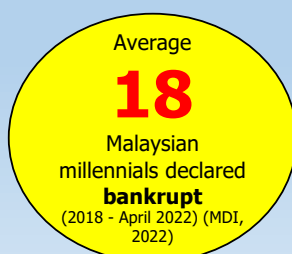
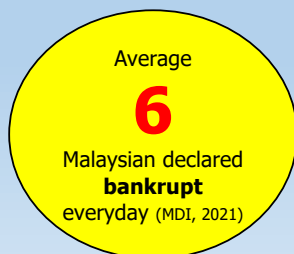
ABSTRACT

Before COVID-19 hit the nation, millennials in Malaysia were found to have low financial literacy. The low awareness of financial literacy could lead to bankruptcy. However, question remained unanswered as to what is the key indicator to the Malaysian millennial's financial literacy? Furthermore, there was no highlight on the future orientation as the key indicator by studies in the past despite its significance. Hence, this study will serve an important contribution through the inclusion of the future orientation as key indicator and to determine whether future orientation can influence the financial literacy amongst Malaysian millennials in the post COVID-19. The results revealed that with the existence of future orientation, the level of awareness about the importance of financial literacy among Malaysian millennials has increase. The study's outputs may serve as guidelines to the Malaysian government agencies and policymakers to formulate appropriate actions to prevent high bankruptcy rate, apart from extending the body of knowledge to shed some light on financial literacy. The findings from this study also offered an alternative approach in addressing the escalating bankruptcy issues faced by Malaysian millennials.

1.0 INTRODUCTION OF THE PRODUCT

The pandemic highlighted the necessity of emphasizing the financial resilience of people and households. Recently, New Strait Times (2022) has reported that there is a spike in the number of youths that were declared bankrupt in Malaysia due to the lack of financial literacy. Fundamentally, financial literacy is a valuable asset that everyone needs to learn in order to survive in a complex updated financial world. It is concerned about knowledge, awareness, and skills of fundamental financial concepts that can assist individuals or households in making better financial decisions such as retirement planning, making investment decisions and wealth growth. Future orientation will be able to influence an individual behavior towards financial literacy. Future-oriented person would be more motivated with regard to positive financial-related behaviors in saving and retirement planning. Therefore, this study aims to examine the relationship between future orientation and financial literacy.

2.0 PROBLEM STATEMENTS



3.0 USEFULNESS



Introducing suitable measurement of financial literacy by examining the level of financial literacy among millennials



Actions required to address the financial problems amongst millennials through the development and delivery of educational programs and counseling approaches.



Serving as important guidance for the Malaysian Government in **finding new approaches** for changing or improving the financial literacy of millennials by referring to the findings of this study.

5.0 COMMERCIALISATION POTENTIAL

- This study with the edge the government along with financial provider (bank) to craft sustainable borrowing mechanism to reduce bankruptcy in Malaysia thru financial literacy education empowerment.
- Valuable for future research to replicate this study by testing segments or samples from other countries to check level of financial literacy.

4.0 NOVELTY

- This study **adapt international standard financing instruments** advanced by Annamaria Lusardi (2013) to examine the level of financial literacy specifically amongst millennials in Malaysia.
- One of the earliest studies to investigate **future orientation**, which has a significant influence on people's behaviour but has **not yet been taken into account** in the context of financial literacy.

6.0 ACHIEVEMENT

AWARDS

- Consolidation award PEREKA 2019 – The Financial Literacy Among Gen Y in Malaysia - Research & Innovation Exhibition held at Universiti Malaysia Sabah

REFERRED PUBLICATION

1. Ansar, R., Karim, M. R., Osman, Z. & Fahmi, M. S. 2019. *The Impacts of Future Orientation and Financial Literacy on Personal Financial Management Practices Among Generation Y In Malaysia; The Moderating Role of Gender*. Asian Journal of Economics, Business and Accounting. 12(1), 1-10.
2. Ansar, R., Karim, M. R., Osman, Z. & Fahmi, M. S. 2019. *Gender, Educational Qualification and Ethnicity Differences in Personal Financial Management Practices among Generation Y in Malaysia*. Asian Journal of Economics, Business and Accounting. 12(1), 1-7.