

THE FINANCIAL LITERACY OF MALAYSIAN MILLENNIALS: THE SIGNIFICANCE OF FUTURE ORIENTATION AS A KEY INDICATOR

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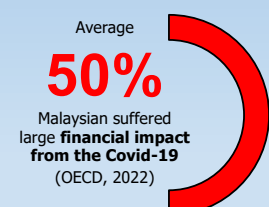
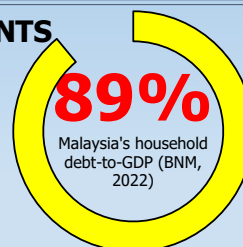
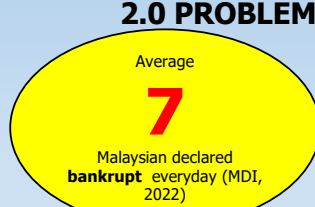
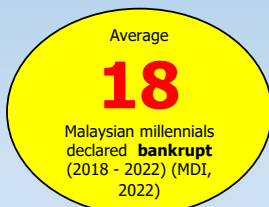
ABSTRACT

Prior to the onset of the COVID-19 pandemic in Malaysia, it was observed that individuals belonging to the millennial generation exhibited a relatively low level of financial literacy. The limited level of knowledge on financial literacy has the potential to result in individuals experiencing bankruptcy. Nevertheless, there is still an unresolved inquiry regarding the primary determinant of financial literacy among the millennial population in Malaysia. Moreover, despite its importance, previous research has not placed significant emphasis on future orientation as a critical indication. Therefore, this study will make a significant addition by incorporating future orientation as a crucial indicator to examine the potential influence of future orientation on the financial literacy of Malaysian millennials in the post-COVID-19 period. The findings indicate that future orientation has led to a rise in the knowledge level about the significance of financial literacy among millennials in Malaysia. The findings of this study can potentially provide valuable guidance to Malaysian government agencies and policymakers in formulating effective strategies to address the issue of high bankruptcy rates. Additionally, this research contributes to the existing body of knowledge by offering insights into the importance of financial literacy. The study's findings additionally presented an alternative strategy for tackling the increasing insolvency challenges encountered by millennials in Malaysia.




1.0 INTRODUCTION OF THE PRODUCT

The pandemic highlighted the necessity of emphasizing the financial resilience of people and households. Recently, New Strait Times (2023) 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

- Silver award INNOCOM 2022 - Malaysian millennial's financial literacy: Future orientation as key indicator
- 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.