

THE RELATIONSHIP OF KNOWLEDGE, INCOME & LIFESTYLE FACTORS TO THE AWARENESS OF ASB INVESTMENT AMONG THE YOUTH OF MASJID TANAH

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ABSTRACT

This study was conducted to examine the relationship between knowledge, income, and lifestyle towards the investment awareness of Amanah Saham Bumiputera (ASB) among youth in Masjid Tanah, Melaka. The main objective of this study is to identify the relationship between the factors of knowledge, income and lifestyle with the investment awareness of Amanah Saham Bumiputera (ASB) among the youth. The findings of the study obtained through the distribution of a questionnaire of 75 respondents were analysed using the Statistical Package for Social Science (SPSS) software. The results of this study prove that the independent variables which are lifestyle and income factors have a relationship with the investment awareness of Amanah Saham Bumiputera (ASB) while the knowledge factor has no relationship with the investment awareness of Amanah Saham Bumiputera (ASB). Investment is the best platform in the context of building and growing wealth, however, not many youths engage in investment activities.

Keywords: *investment, youth, Amanah Saham Bumiputera (ASB)*

INTRODUCTION

Investment is the best way to increase the potential amount of money owned. It is well known that investments can provide good returns to guarantee strong personal financial stability. In general, it can be defined as assets owned or controlled by investors, directly or indirectly, which also have characteristics such as capital commitments or other resources, expected profits or assumed threats (risks). The economic and financial environment can affect investments, so the expected results are uncertain. If the investment activity is consistent, then, the amount of investment will grow significantly over time. This results from the earnings of interest and dividends and when the share price rises in the market.

Amanah Saham Bumiputera (ASB) is the only long-term savings and investment instrument with low risk. Amanah Saham Bumiputera is the best investment for Bumiputera. Various techniques can be used to get the best return through this investment. ASB is able to give a dividend return of up to 7% to 10% without being charged any additional charges.

The spending habits of young people will improve if they start investing at a young age. Investing early allows them to cultivate disciplined spending habits by focusing on budgeting and cutting back when necessary. This is impossible to do with uncontrolled spending habits and a life full of impulse buying.

It is clear that unsystematic financial management can lead to problems such as financial leakage and financial instability. This will have a negative impact on the defenders to manage their finances in their daily lives well.

According to the Insolvency Department in May 2021, the number of bankruptcy cases involving youth increased fivefold from 324 bankruptcy cases in December 2020 to 1,864 cases in the first quarter of the year. The age group between 35 and 44 years old was recorded as the most declared bankrupt group compared to other groups. Personal loans, business loans, vehicle hire purchase, credit card debt and housing debt are the main causes of bankruptcy based on the Insolvency Department report.

The youth tend to buy things for their lifestyle. They don't focus on retirement but focus more on personal expenses alone. As a result, they will be exposed to serious financial problems in the future. (Investment Magazine, 2020). In addition, the practice of not being thrifty and extravagant will also cause a burden that will be borne in daily life. This is due to the practice of saving that is not nurtured in them. If the responsibility of saving exists in each individual youth, then the money spent will definitely be patterned based on priorities. (Investment Magazine, 2020).

There is a study that reveals that Malaysians are not inclined to make investments. Some of the youth have no knowledge about investment. In the context of youth who are not working, they are afraid of receiving losses when it is a risk that needs to be borne. There are also among the youth who do not know how and they do not have enough resources to invest. In addition, the youth also think that it is necessary to have strong finances for investment purposes when in reality ASB investment only requires RM100 to start.

The situation is different for the youth who have income and have a permanent job. They think that receiving a salary every month can guarantee their financial sustainability compared to making investments. The main challenge is the transition of the mindset of employees to the mindset of investors. There is a significant difference between saving and investing and many young people do not understand it. In principle, it is necessary to have savings even if you are not inclined to invest, but to invest you need to have savings.

Investing is putting money into a specific platform with the expectation that its value will grow over time. Investors have the best ability to get higher returns if they are able to deal with higher risks in the long term.

RESEARCH OBJECTIVE

- i. To identify the relationship between knowledge factors and investment awareness Amanah Saham Bumiputera (ASB) investment among youth in Masjid Tanah, Malacca.
- ii. To examine the relationship between income factors and investment awareness of Amanah Saham Bumiputera (ASB) among youth in Masjid Tanah, Melaka.

iii. To investigate the relationship between lifestyle and investment awareness of Amanah Saham Bumiputera (ASB) among youth in Masjid Tanah, Melaka

CONCEPTUAL FRAMEWORK

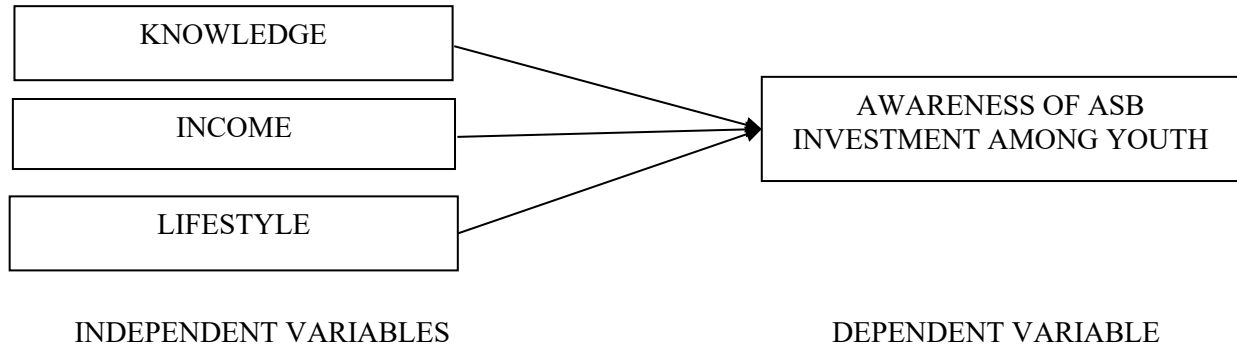


Figure 1: Conceptual framework

LITERATURE REVIEW

When engaging in an investment, investors typically accept a trade-off between a certain current value and an uncertain future potential return. This process often involves a series of decisions including choosing the type of instrument for investment, diversifying instruments, determining the amount of investment, investment period and so on. Understanding complex financial and investment matters requires the possession of financial knowledge and skills. Financial literacy is important for investors and individuals who want to allocate their financial resources effectively in investment opportunities (Li et.al, 2020) and (Sulphey, 2017).

Investment awareness has shown a steady increase among individuals of all age groups worldwide (Hastings and Mitchell, 2020). This is because the strong development of the financial sector depends on two critical components, namely investment and financial literacy. Those with a strong ability to make prudent investment choices are more likely to live in communities with high financial awareness.

Alex Wang (2011) stated that there is a significant influence between factors such as awareness, income level and skills in shaping the investment choices of the younger generation, especially in relation to certain financial instruments. However, knowing and understanding finances comes first. Financial literacy as defined by Alekam et al. (2018) and supported by Lusardi & Mitchell (2014), refers to the capacity to understand economic information and make informed decisions about financial planning, wealth accumulation, debt management and retirement savings.

Knowledge will influence financial decision making and includes components from the point of view of understanding and application (Yong et al., 2018). Azizah et al. (2013) in his study stated that financial literacy provides university students with the ability to avoid falling into the trap of a lot of debt, especially credit card debt. This is in line with Goetz, Desai, Mimura, & Cude (2008) who said the issue of high debt levels has become worse as a result of low financial literacy and improper financial management among college students.

To manage their expenses, savings, loans and investments effectively, it is important for the youth to have financial literacy, as emphasized by Ahmad et al. (2019) and Garman & Fogue (2011). In other words, financial knowledge is the main thing before any financial decision is made.

Financial awareness is identified as one of the main components of financial literacy as outlined by Peeters, Rijk, Soetens, Storms, and Hermans (2018). To build an effective financial plan and navigate the financial landscape, individuals must possess financial awareness and a basic level of financial competence. Many scholars and researchers agree that living in a financially educated society empowers individuals to make good financial decisions.

Many discussions have also classified individuals with large savings as those who are actively preparing for their retirement, mainly driven by increased financial awareness. This higher financial awareness equips individuals with the skills to make more rational financial choices and decisions which ultimately improve the overall well-being of life.

RESULT

A total of 75 respondents responded to this study based on the distribution of questionnaires. This section will display the results of the study that have been obtained after the analysis is done based on the objectives of the study

CORRELATION ANALYSIS

This correlation analysis was conducted to complete the objective of the study which is to identify the relationship between the independent variable and the dependent variable in this study.

Table 1: Correlation of Variables and Level of Awareness

Variables	<i>r</i>	<i>p</i>
Knowledge	0.176	0.130
Income	.307**	0.007
Lifestyle	.414**	< 0.001

Table 1 shows the relationship between the variables studied, namely the relationship between knowledge, income, lifestyle and the level of youth awareness of investment. The results of this study show that some of the independent variables are in moderate relationship strength according to the relationship strength table of Albert Davis (1971).

The results of the study show that there is no significant relationship between knowledge and the level of youth awareness of ASB investment ($r = 0.176$, $p = 0.130$). There is a significant positive relationship between income and the level of youth awareness of ASB investment which is supported by the correlation coefficient ($r = 0.307$, $p = 0.007$). Based on the strength of Albert Davis' (1971) relationship, this relationship explains the moderate association. The positive correlation shows that there is a positive relationship that the higher the income of a youth, the higher the level of awareness of the youth towards ASB investment. Likewise, there is a significant relationship between lifestyle and the level of youth awareness of ASB investment with a correlation coefficient ($r = 0.414$, $p < 0.001$). Based on the strength of the Albert Davis (1971) relationship, the r value shows that the relationship between lifestyle and the level of youth awareness of ASB investment is a moderate positive relationship.

ANALYSIS OF HYPOTHESIS

Table 2 : Table of Correlation (from SPSS)

	Ilmu_pengetahuan	Pendapatan	Gaya hidup	Kesedaran
Knowledge	Pearson Correlation	1	.503**	.176
	Sig. (2-tailed)		.000	.130
	N	75	75	75
Income	Pearson Correlation	.503**	1	.307**
	Sig. (2-tailed)	.000		.007
	N	75	75	75

Lifestyle	Pearson Correlation	.084	.245*	1	.414**
	Sig. (2-tailed)	.473	.034		.000
	N	75	75	75	75
Awareness	Pearson Correlation	.176	.307**	.414**	1
	Sig. (2-tailed)	.130	.007	.000	
	N	75	75	75	75

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

The results obtained allow to reject a null hypothesis for the independent variable and accept two alternative hypotheses because the study clearly found that there is a positive relationship between the two factors, namely income and lifestyle towards ASB investment awareness.

Knowledge factor

Ho: There is no significant relationship between the knowledge factor and the level of investment awareness of Amanah Saham Bumiputera (ASB) among the youth in Masjid Tanah, Melaka.

The results of this study cannot support the first hypothesis of the study, which is that knowledge has a significant relationship with the level of investment awareness of Amanah Saham Bumiputera (ASB) among youth in Masjid Tanah. This shows that some of the youth still do not have a good knowledge of investment. Therefore, H0 above is accepted and H1 is rejected.

Income Factors

H1: There is a significant relationship between income factors and the level of investment awareness of Bumiputera stock trusts (ASB) among youth in Masjid Tanah, Melaka.

The results of this study support the second hypothesis, that is, income has a significant positive relationship with youth awareness. This shows that the higher the income of the youth, the higher their awareness of investment. Therefore, H1 is accepted.

Lifestyle Factors

H1: There is a significant relationship between lifestyle factors and the level of investment awareness of Bumiputera stock trusts (ASB) among youth in Masjid Tanah, Melaka.

The results of this study also support the third hypothesis of the study, which is that lifestyle has a significant positive relationship with the level of youth awareness. This shows that the youth tend to change their lifestyle for better financial sustainability in the future. Therefore, H1 is accepted because there is a relationship between lifestyle and the level of investment awareness of Bumiputera share trusts (ASB) among youth in Masjid Tanah.

DISCUSSION AND CONCLUSION

The findings of the study show that income and lifestyle have a significant relationship between the level of investment awareness of Amanah Saham Bumiputera (ASB) among youth in Masjid Tanah, Melaka. However, the knowledge factor does not have a significant relationship with investment awareness. The tendency of knowledgeable individuals to be aware of investment is influenced by factors of interest in the field of investment itself. If an individual with knowledge has no interest in the field of investment, then awareness of the investment is at a low level. According to (Ekasakti et al., n.d. 2017) , the results found that the level of individual education such as Diploma or Bachelor's Degree does not affect the level of knowledge or high awareness of investment due to the lack of knowledge in investment. Thus, strengthening the researcher's findings where the study states that the knowledge factor is not significant to investment awareness. Research by (Garg & Singh, 2018) reveals that the level of financial literacy among youth is low in most countries and it can be a threat of concern for youth to face good financial sustainability in the future with the added risk of economic uncertainty. Good parental financial behaviour is directly related to the search for financial

information that youth want (Pahlevan Sharif & Naghavi, 2020) . This information seeking process will help youth to minimize financial risk. This will indirectly give input to the youth to better control their finances. The influence of parents and peers can have a strong influence on financial literacy in a positive way among youth (Alshebami & Aldhyani, 2022) . Financial literacy can have a positive effect on the saving habits of young people. If this practice is done by the youth, it shows a good reflection of financial sustainability in the future.

AUTHOR CONTRIBUTIONS

Nor Hazanah, M. : Writing- Original Draft Preparation; Nurulhayah, M.: Conceptualization, Methodology, SPSS, Nurul Liyana, H.: Literature Review, Data Curation, Validation, Maryam, M.E.: Supervision, Farah Saniah M.Z. and Luqman A.:Validation, Writing-Reviewing and Editing.

CONFLICTS OF INTEREST

The manuscript has not been published elsewhere and is not under consideration by other journals. All authors have approved the review, agree with its submission and declare no conflict of interest on the manuscript.

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