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Attitude and Knowledge towards Savings, Spending,
Investment and Insurance among Students

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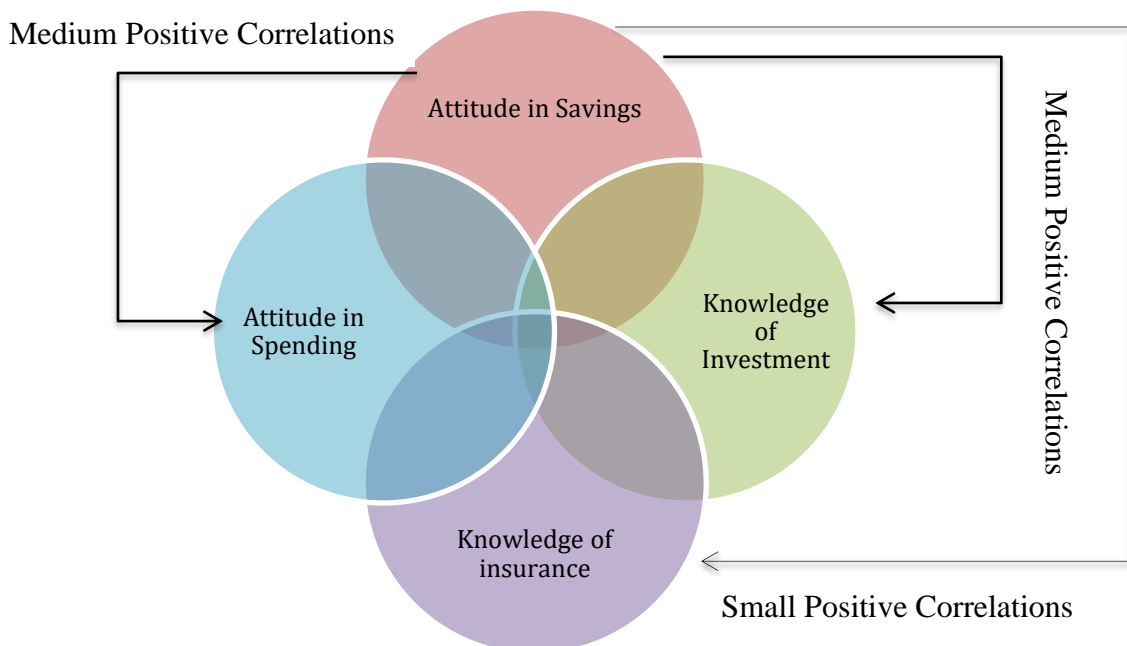


Research Highlights

The study investigates the relationship between savings attitude with spending attitude among students at tertiary level. Besides that, it attempts to find answer pertaining to students' attitude in savings with their knowledge of investments as well as insurance. A survey research is employed as the methodology to collect the data for the current study that involves 229 undergraduate and postgraduate students in local and private universities in Malaysia.

Results showed that students have a medium positive correlations between savings and spending. Likewise, they showed a medium positive correlations between savings and knowledge of investment. Nevertheless, there is a small positive correlation between savings and knowledge of insurance. The results of the study implies that there is a need to impart knowledge of insurance among the participants as the knowledge enables them to plan for their financial security and protect their lives in the future.

Graphical Abstract





Research Objectives

The objectives of the current study are to investigate the relationship between savings and spending attitudes. It is predicted that participants who demonstrate good attitude in savings is good at managing their money i.e. when buying things or spend their money in buying their needs. Also, the research attempts to investigate the relationship between savings attitude and knowledge of investment among the participants. It is anticipated that those who have good savings attitude may have better knowledge of investment than those who do not have positive attitude in savings. Finally, the research objective aims at finding the relationship between savings attitude and knowledge of insurance among participants. It is forecasted that those who demonstrate positive attitude towards savings would be knowledgeable in insurance related matters. Such is due to they have the knowledge that insurance packages can help them to double up their savings tools.

Methodology

The current study employs a survey design in collecting its data. The invitation to complete the online survey is made via WhatsApp. A chain of WhatsApp messages are delivered to individuals in getting as many participants as possible in the survey. The messages of requesting favours from one individual to invite other persons he/she knows to participate in the survey enables the collection of responses from 229 participants. They are undergraduate and postgraduate students taking various programs – engineering, science, arts and management, from local and private universities in Malaysia. In terms of research instrument, online survey using Google form is prepared to collect the data for the current study. It is divided into four (4) sections having items on demographic information, attitudes in savings, attitudes in spending, knowledge of insurance and knowledge of investment. Five (5) scaling responses using Likert scale enables the researcher to gauge participants' responses to 40 items in the online questionnaire. The duration of collecting the data started from October to November 2018. After data is collected, it is analysed using Statistical Package for the Social Sciences (SPSS). Descriptive and inferential statistics are used to report the results of the current study as the former describes the population while the latter is employed to make the generalisation about the population based on the samples (Surbhi, 2016).





Results

In answering the research question concerning the relationship between attitude in savings with attitude in spending, it shows that there is a medium, positive correlation between the two variables, $r = .43$, $n = 229$, $p < .0005$, with high levels of savings attitude and spending attitude. This results indicate that the participants in the current study have moderate attitude in savings and spending. Meanwhile, results for the research question pertaining to participants' saving attitude and their knowledge in investment, it is found that there was a medium, positive correlation between the two variables, $r = .32$, $n = 229$, $p < .0005$, with high levels of saving behavior and knowledge of investment. Such results show that participants have fair knowledge of investment. They may know certain knowledge on investment but they may be lacking in some other knowledge of investment. Finally, it is found that there is a small positive correlation between participants' savings attitude and knowledge of insurance; $r = .23$, $n = 229$, $p < .0005$. This implies that their knowledge of insurance is still at a low level.

Findings

The results of the current study concerning the relationship between savings attitude and spending attitude are in contrary with the research conducted by Jonubi (2013). The research showed that participants displayed positive and high savings attitude when asked about their financial literacy. The Masters in Business Administration students always save their money every month. Meanwhile, findings obtained for the research question pertaining to the relationship between students' savings attitude and their knowledge in investment revealed a contradictory result with the one obtained in the current study. Ahmad (2012) found that students in their study had low level of investment knowledge. It was a surprising result that was revealed by the researcher considering the fact that they were students who took commerce and majored in finance. With regards to the research question on finding the relationship between savings attitude and knowledge of insurance, the results obtained in the current study are incoungruent with the one found by Bakar (2018). Students who were majoring in Education were reported to demonstrate low knowledge concerning insurance. Closely halved of them were not able to differentiate life insurance products when they were asked a series of questions on insurance. Cude (2006) relates students' poor financial knowledge as the source of their inability to understand the knowledge concerning insurance.





As a result, they spent more money than they earned, failed to allocate sum amount of money for savings and had the reputation to become spendthrifts if they continue with such attitude. It is therefore, argues that the knowledge of insurance is paramount to be introduced to participants in the current study as it may create awareness on their financial security (Przybytniowski, 2017).

Acknowledgement

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