INVESTMENT BEHAVIOUR AMONG GENERATION Y

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DECLARATION

We hereby declare that:

(1) This undergraduate research project is the end result of our own work and that due acknowledgement has been given in the references to ALL sources of information be they printed, electronic, or personal.

(2) No portion of this research project has been submitted in support of any application for any other degree or qualification of this or any other university, or other institutes of learning.

(3) Equal contribution has been made by each group member in completing the research project.

(4) The word count of this research report is 15799.

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LIST OF ABBREVIATIONS

BMO	Bank of Montreal
GEN	Generation
HBA	National House Buyers Association
HSBC	Hongkong and Shanghai Banking Corporation
LIMRA	Life Insurance and Market Research Association
MFS	Massachusetts Financial Services
SPSS	Statistical Package for Social Science

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PREFACE

The reason we choose this study is to unveil the investment patterns of the Malaysian Generation Y. Gen Y, who represents a large portion of the Malaysian population, is being the engine of the economic growth. This group of people is going to cover the major workforce of the nation. It is necessary to recognise their characteristics and behaviours in order to capture this young blood generation to stimulate the country economies. Investment has always been an important component in determining a country growth. We are curious to know how the behaviour of Gen Y towards investment is. Would they invest in the stock market or property market? If they would, what are their characteristics in forming their investment behaviour? These are the questions that we want to find out for answers and therefore we study on this matter. We hope that the results found in this paper would help us clear our doubts and are useful for academic information.

ABSTRACT

This study examines the determinants of investment behaviour among the Malaysian Generation Y, by looking into their saving behaviour, consumption behaviour and risk behaviour as well as their demographic characteristics. In Malaysia, there are little studies done on Generation Y's investment behaviour. This study will help to shed a light in understanding their specific behaviour in saving, consumption and risk that will affect their investment pattern. The purpose of this study is to identify whether there is a significant relationship between investment behaviour and its determinants which consists of saving factor, consumption factor, risk factor and demographic factor among the Generation Y. Policymaker may take appropriate action in engaging these millennial, which is also known as Generation Y or Gen Y, who are currently being the engine of economic growth.

This research is using quantitative approach which the data is collected through survey method focusing on Malaysian Generation Y who has an age between 18 and 34. A total number of 482 sets of data have been collected manually and via online survey form in 11 capital city of peninsular Malaysia. The results show that gender, race, education level and risk appetite have significant relationship with share investment; while race, saving percentage, expenditure percentage and retirement are statistically significant towards property investment. Furthermore, this study also finds that males are more likely to invest in stock market than females.

CHAPTER 1: INTRODUCTION

1.0 Introduction

This chapter provides an overview of the research project and explains the research problem. It elaborates the research objectives to be achieved and the research questions to be answered as well as the significance of the study.

1.1 Research Background

The focus on studying Generation Y is significant as this group of the population will soon dominate the consumer market. The increasing population Gen Y and the decreasing of population Gen X by getting retirement soon affect the purchasing power of Gen Y increase and the purchasing power of Gen X decrease. The Gen Y will take over Gen X soon. Gen Y will bring more effect to market compare with Gen X. The policy maker and marketers will put more focus on Gen Y. Gen Y have different characteristic compared to Gen X and policy makers as well as marketers are required to change their strategies to accommodate this generation. Generation Y are viewed "as a generation with very high buying power" as they have annual incomes totaling USD211 billion and spend USD39 billion per year (Nowak, Thach and Olsen 2006). In (Visa USA Inc., 2007) statistics it stated that by 2015 Generation Y will account for approximately USD2.45 trillion in annual spending. Many factories or businesses want to capture the Gen Y needs and spending habits. Generation Y also can call Millennial.

In Malaysia, the population of Gen Y is 6.2 million. This amount of population have right to affect the consumer market. The spending habit of Gen Y will affects the industry return or profit. Gen Y grew up with modern technology and good situation of education. With modern technology, Gen Y easy handles the technology product such as Iphone, Twitter, Facebook. Gen Y easy to get information from internet. Growth up situation is different for Gen X and Gen Y after then they have different thinking. To allocate their income or financial planning is different for Gen X and Gen Y. Investment habit also different for this two generation, Gen Y may averse the risk, prefer low risk investment.

1.2 Problem Statement

The lager population of Gen Y has attracted various research group attentions. The larger population of Gen Y will cause the high purchasing power. Many factories or businesses want to capture the Gen Y needs and spending habits. USA, Canada, Australia and the European Union also do a lot of study on Gen Y but don't know the study are same can applied to investment behavior in Malaysia. The reason is that may be caused by other factors such as race, education level of consumer, the level of income and the environment. Malaysia is different from other country.

In Malaysia, there is little research on Generation Y consumption, savings and investment risks directly affect their investment decisions. The economic conditions, the level of the education system and the environment awareness among Malaysian is different with others country after then need to use the survey data which is focused on the Malaysian. The research focused on the Gen Y decision making on income. The main objective of this study is to learn more about Gen Y in Malaysia, to clarify their consumption, savings and risk behavior to affects their decision making.

1.3 Research Objectives

- To identify the investment behaviour of Gen Y.
- To investigate the saving pattern of Gen Y.
- To assess the spending behaviour of Gen Y.
- To evaluate the risk behaviour of Gen Y.
- To examine the relationship between investment behaviour and its determinants including saving behaviour, consumption behaviour and risk behaviour.
- To examine the possible connection between demographic factors and investment behaviour.

1.4 Research Questions

- Which investment method does Gen Y prefer?
- What is the percentage of income Gen Y save?
- Does Gen Y allocate money for emergencies?
- Has Gen Y started to save for retirement?
- How much does Gen Y spend their income?
- How often does Gen Y spend out of budget?
- What is Gen Y's risk appetite in investing?
- How much is Gen Y's cut loss level in investing?
- Does Gen Y consider stock market as risky investment?

1.5 Significant of Study

This paper will be greatly beneficial to the government, the financial sector as well as the business firms, to have a better picture on Gen Y who is rapidly taking over the Baby Boomers. Currently Gen Y is in their 20s and 30s who is getting their footing in the adult world. Their increasing purchasing power has continually drive consumer demand. It is therefore necessary to reassess this bunch of people and to develop strategies that are designated for capturing them. With a sizable population of Gen Y, their impact to the society should not be underestimated. Hence, the findings of this study shall provide a better insight of Gen Y for policymakers to develop appropriate products and services which are in line with Gen Y's consumption, saving, risk and investment behaviours.

This study is expected to contribute to the following scopes:

1. To shed light on the consumption, saving, risk and investment patterns of Malaysian Gen Y.
2. To help business firms to understand the behaviour of Malaysian Gen Y in order to develop suitable products and services.
3. To help policymakers to design appropriate policy based on Malaysian Gen Y's consumption, saving and investment behaviours.

1.6 Chapter Layout

The entire research project has been arranged into five chapters.

1.6.1 Introduction

This chapter gives an overview of the research project. It includes background of study, problem statement, research objectives, research questions and significance of this research study.

1.6.2 Literature Review

This chapter provides a critical review on previous studies and relevant theory that are regarding to this research topic.

1.6.3 Methodology

This chapter explains on the methodology that has been used for this study. It comprises research design, theoretical framework, hypotheses statements, data collection method, sampling design, research instrument, construct measurement and data analysis.

1.6.4 Data Analysis

This chapter presents the findings of this study. Statistical Package of Social Science is used to process the data. Descriptive analysis and logistic regression have been applied in this study.

1.6.5 Conclusion and Recommendation

This chapter discusses on the research results. Implication of study and recommendations for future research will be given in this chapter.

CHAPTER 2: LITERATURE REVIEW

2.0 Introduction

Overall this chapter provides a better understanding on the characteristics of Gen Y along with the dependent variable, which is investment behaviour; and independent variables, which includes saving, consumption and risk behaviour. The theory found is supported with the review of the relevant research done.

2.1 Generation Y

Generation Y came after Generation X. This generation including the child who was born between 1980 and 2000. These people are sometimes called Generation Y, Millennials, simply Millennials or Echo Boomers (Hyler, J. N. 2013). The current population is 71 million. Because of the largest population of baby boomers will increase the number born Generation Y. Generation Y has been shaped by the technological revolution that occurred throughout their youth. Generation Y grew up in technology so connectivity and technological knowledge in their DNA. Generation Y easy to handles the latest technology and tools, such as iPhone, laptop and tablet computers. Y generation is online one day a week access, 24 hours a year, 7 days, 365 days. Many Millennials grew up to see their baby-boomer parents are working day and night to do intense enterprises. This has formed concept to Gen Y, need for work to balance the life.

2.1.1 Characteristics of Generation Y

Generation Y is less brand loyalty (Hyler, J. N. 2013). Generation Y is flexible, changing its fashion, style-conscious. Gen Y has financial supported by parents. Generation Y has a credit card signed parents. Millennium generation has been the most difficult management (cited in the psychological characteristics of Generation Y, rights and career expectations, 2012) in the world.

Gen Y grew up in multicultural school is proficient in technology, passion, self-centered, self-confidence and very in network. Gen Y also have oriented by their parents with successful experience. Millennials have received the best education of a generation in history. The parents of Gen Y have closer relationship, Gen Y's parents important their education level and always arrange the daily schedules for Gen Y. Gen X to introduce Gen Y to good structure on study to leading Gen Y have confidence to facing future challenges. Millennium had told their parents that they can do anything. Gen X encourages Gen Y do everything to leading Gen Y increase the confidences. Generation Y is part of their lives is the first to grow up with computers and internet. In the online world continues to experience to deal with them in case of problem-solving style had a profound impact. This generation of workers is about the network and more global awareness traditionalists and Baby Boomers cannot imagine the skilled workforce (Martin, C. A. 2005).

Millennium wanted to know what they are doing is valuable company or the environment and valuable to them and their careers. They have their company and their strong desire for a favorable opportunity. They drive less money but also by achievement. Millennium wanted to express their creativity and use

their own methods to complete their task. They will familiar using network to get information. They are learning-oriented and if they do something wrong, they want to know now so they can move forward.

Millennium usually will ask question senior or parents for settle their working problem. Millennium parents and teachers gave a lot of praise and the second, third and fourth chance connected. They want to show their right track and did a great job. Millennium clearly know what they want but let them decide how to get there (Campbell, Mr. Bonacci, Shelton, Exline, and Bushman, 2010) for details. Make work and important to them and companies associated with them. Millennials are accustomed to new ideas and situations learning a constant opportunity. Millennials will be loyal to the company but does not provide blind loyalty. As long as their personal interests and career needs are met, the company is socially responsible, will be loyal to the Millennium. But they do not care about quit. Now, they will quit later found work, if you do not work, they can always have the support of their parents.

2.2 Investment Behaviour

Investment has becoming an alternative for people to seek for financial security. By its definition, investment is the purchase of asset in expecting to create more money or to appreciate in the later future. In economic view, investment is the acquisition of goods which are not consumed now but later in the future to generate wealth. While in the finance perspective, investment is a monetary asset purchased that expects the asset will generate income in the future or appreciate and sell for higher price to gain profit (Investopedia, n.d.).

2.2.1 Gen Y's Investment Behaviour

Based on the study conducted by Fidelity Investment in United State, a high percentage of Gen Y considers themselves more knowledgeable in finance than the older generations. The study was conducted to examine the attitudes and behaviours of investors after the 2008 financial crisis happened five years ago. The study shows that Gen Y has probably experienced a positive transform after the crisis (Fidelity.com, 2013).

The study reveals that:

(1) 81 percent of Gen Y believes that they are more knowledgeable in their finances, compared to 66 percent of older generations.
(2) 55 percent of Gen Y feels more confident in investing than 47 percent of older generations.
(3) 64 percent of Gen Y versus 54 percent of their elders saves more systematically.
(4) 52 percent of Gen Y versus 41 percent of older respondents feels more confident in general.
(5) 50 percent of Gen Y versus 30 percent of Gen X says the economy has become better than five years ago.
(6) 76 percent of Gen Y versus 56 percent of Boomers thinks their investments have performed better after crisis.

Overall, Gen Y is prominent as the most optimistic age group when comparing against older generations. Despite of suffering investment losses, Gen Y still remains astonishingly confident. This may because of Gen Y perceives a safety net due to the wealth of their Boomer parents (Sullivan, 2013). Gen Y has taken a more prudent approach to their finances,

acknowledging the need to manage their spending and investing pattern, and changing the way of doing things. They prefer more to conduct online research (34 percent) as well as use online tools and calculator (23 percent) in their finances (Fidelity.com, 2013).

2.2.2 Gen Y in Stock Investment

Many young people in United State have no confidence on the stock market with their savings ever since the financial market collapsed back in 2008. Based on a survey done by MFS Investment Management, 52 percent of Gen Y investors below aged 31 say that it is uncomfortable for them to invest in stock market. This large number may indicate that a great amount of Gen Y investors will opt to avoid investing in stocks. It is not surprised with the result since many young investors consider stock market as a risky place. They rather hold their money in cash instead of placing in the market (Taylor, 2012).

The MFS survey further presents that only 18 percent of Americans, which is about half of the number of previous year, consider equities as a great place to invest. While the majority prefer safer bank products like certificate of deposits (CDs), saving accounts and money market. It shows that the younger generation of investors become very conservative and more favour to bank products (Taylor, 2012). Gen Y investors show no intention to make long-term investment in stock market and are less likely to go for aggressive investment with their retirement accounts (Palmer, 2014).

Similarly in Malaysia, Gen Y comprises only 12% in the stock exchange market, which is considered less, according to Bursa Malaysia (as cited in Weiler, 2014). Just when Gen Y was trying to invest, they witnessed the dotCom crash as well as the financial crisis. Gen Y does not consider the need

to invest as they get most of the needs and wants from their parents; and is unlikely to invest in stock market due to lack of knowledge in underlying area, said the licensed financial adviser and syariah financial advisory for Excellentte Consultancy Jeremy Tan (as cited in Mahalingam, 2014).

2.2.3 Gen Y in Property Investment

According to the 2014 National Association of Realtors® Home Buyer and Seller Generational Trends study, Gen Y comprises the largest slice of home buyers at 31 percent compared to other generations and it has the biggest share of first-time buyers at 76 percent. Unlike the older generations, Gen Y buyers stay positive and consider property as a good investment. Currently Gen Y is in their 20s and early 30s, who wants to buy their first home, is demonstrating a great potential for strong property demand. Their desire of owning a home or looking for long-term investment still remains firm. However, they are facing challenges like tight credit, shortage of inventory, eroding affordability and high debt burden that have hindered them from owning a home (National Association of Realtors®, 2014).

It is natural to realize that parents want to help their children in the area of education and home purchases. Transferred of wealth from one generation to the next is getting common nowadays (Johnston, 2013). To purchase a home, buyers have often relied on their savings. However, a variety of outside resources is now available to finance home purchases. Amongst them all, receiving a gift from parents and relatives are the most common one. About 26 percent of Gen Y received a gift from their parents and relatives for use as a down payment to finance their home purchase (National Association of Realtors®, 2014). It can be seen that aids received from parents have greatly influence in Gen Y's home purchase decision.

A survey done by US-based urban development researcher Demographia (as cited in Ng, 2014) classifies Malaysia's residential housing market as "severely unaffordable", which is even more unattainable than residents in countries like Singapore, Japan and the United States. This could trigger the risks for "homeless generation" which consist mainly the younger Malaysians from lower and middle income group who are incapable to own a home, said by National House Buyers Association (HBA) honorary secretary general Chang Kim Loong (as cited in Ng, 2014). Whether Gen Y in Malaysia will invest in property market still remains questionable.

Hence, this research paper is designated to find out which investment methods, either stock or property investment, is preferable for Malaysian Gen Y as well as how it relates to their risk preferences, consumption and saving patterns.

2.3 Saving Behaviour

According to Keynes (1937), savings can be defined as the leftover amount after deducted the expenses from the disposable income. Hence, saving = income - consumption. Saving behaviour referred to the methods of using and allocating saving by the consumer.

The whole idea of the 'thrift of paradox' or 'thrift of saving' which are raised by economist John Maynard Keynes where saving is bad for the economy (Keynes, 1937), is commonly known by the mostly economists in the world. Keynes's General Theory became even famous after World War II and a subfield of macroeconomics, Keynesian economics is arisen in order to study the theory and the way to apply.

Keynes (1937) believed that increase in saving during the recession will make the situation of the economy worsen, because more saving means less consumption which caused the demand for goods to be reduce. As the demand reduced, the

economic growth will stop and caused economic problems such as unemployment, fail in business, bankruptcy and so on (Keynes, 1937). However, economists argue that the idea is failed because when the demand for goods reduced, the price will fall and the people are willing to spend more and the business will continues to run. Moreover, the saving money is not just stored in the bank. The money is lent for the business and it became the funds for the business to grow. The business will have more funds when more people save.

2.3.1 Gen Y's Saving Behaviour

The journal "Saving Behaviour in Ten Developing Countries", found that high growth rates, a low dependency ratio, and high income levels are proportional to the saving rates (Collins, 1989). Saving rates in Asian commonly was higher and the countries with the high growth rate at 1960-1984 were having highest saving rates. The study also investigated the difference in saving behaviour between the low-income countries and middle-income countries. The low-income countries had a lower sensitivity of household savings to the age distribution and changes in income. Other than that, the study found that living standards and age distribution affected the saving behaviour.

Thejournal "Should Households Establish Emergency Funds?" found emergency savings are only most favourable when the rates of return on alternative investments or frequent rates of emergencies are quite low (Hatcher,2000).

From the report of Bank of Montreal (BMO), "Wealth Generation: The Financial Challenges for Generations X & Y", both Generation X and Y have confirmed the importance of saving for the emergency purpose. According to the report, 93% of both Generation X and Y think that emergency fund is important in order to overcome the emergency problems. However, although

there are 93% of respondents having knowledge on the importance of emergency fund, but only 44% of Generation Y respondents had practice on this which they have a secure saving that equal to at least 3 months of expenditures.

When shall we start to save for our retirement? And how much shall we save for our retirement age? For the first question, it is obviously that it is better that you start to save earlier since you won't know what will happen in the future. Moreover, you surely hope that you won't face with the problem that you have insufficient money to spend after 10 years you have retired. You would not have ability to go for hard work at that time. Other than that, you have to consider your health care at the time. From the article, "How much do you need to retire?", it was found that it is simple question to ask how much to save for retirement but it is hard to answer since the life is full with uncertainties. These uncertainties caused that the money you saved might not enough to face with those problems. However, this article commented that a person should have saving at least 8 times of his or her ending annual income (Fidelity Viewpoint, 2014).

If a person has to enjoy his retirement life of 25 years without facing the problem of insufficient money to overcome the uncertainty happened in his life, then he should save an amount that more than 8 times of his ending annual income. For example, if a person starts to work at 23 years old with an annual income of RM 30,000, and he retired at 60 years old with an annual income of RM 48,000, then he should save at least RM 384,000. However, if the person have a saving of RM 384,000, his actual amount of saving will be great than RM 384,000 due to the saving plan he has invested. It was clearly that it is almost impossible to save RM 384,000 if the person starts to save at 50 years old. Hence, it is important to save the money when you are young if you want to have a comfortable retirement life.

According to the research done by LIMRA, "Sowing the Seeds for Retirement: Gen X and Gen Y Markets", it was found that the concept of Generation Y in purpose of saving is differed from others. The retirement sector is suggested to provide more aids in suggestion for Generation X and Y in order to propose a method of saving that is suitable for them because they are facing with the change of retirement landscape (Cecilia M. Shiner, 2013).

According to "Sowing the Seeds for Retirement: Gen X and Gen Y Markets", the most important factor that Generation Y save their money is not for the retirement life, 41% of them think that they save money mostly for the purpose of travel or vacation, and then just come to saving for retirement which is 31%. The other purpose they save their money are: buying a house (25%), starting a family (25%), and household consumption (24%). Other than that, almost half of the Generation Y respondents (45%) are not confident that their current savings will enough to support their retirement age.

2.4 Consumption Behaviour

Conspicuous consumption has been used for more than a century to describe the acquirement of luxury goods and services to publicly demonstrate economic power (Mair, n.d.). It was first introduced by Thorstein Veblen in the 19th century, in his book "The Theory of the Leisure Class: An Economic Study in the Evolution of Institution"published in 1899. According to Veblen (2005), the basis of good reputation is ultimately depends on pecuniary strength; where the means of showing pecuniary strength as well as of obtaining or retaining a good name, are leisure and a conspicuous consumption of goods. Veblen's study suggests that pecuniary strength grants individuals honour, prestige and esteem rather than just invidious distinction (Veblen, 2005). He argued that spending wastefully was the symptomatic of the excessive lifestyle of the wealthy (Veblen, 2005). To Veblen, conspicuous

consumption was said to be wasteful, or spending for useless thing, just to show off one's reputation (Veblen, 2005).

Later in the 1920s, economist Paul Nystrom came out with the idea of "philosophy of futility" that would increase fashionable consumption. The idea behind (as cited in De Vogli, 2013) is simply saying that individuals have no better things to do than focusing on superficial consumerism and fashionable status signal. It indicates a trend that people are vying to get the latest product before anyone else, as they start to spend money on unnecessary things rather than using it for actual utility. In that context, Nystrom conferred the idea of conspicuous consumption (as cited in Mair, n.d.) as behavioural addiction or narcissistic behaviour, or both, to use as a way to fulfill consumers' desire for immediate gratification of hedonic expectations.

While previously, conspicuous consumption was mainly for the rich, however the latest study done by Kerwin Kofi Charles, Erik Hurst, and Nikolai Roussanov (2007) has showed a different perspective, that conspicuous consumption is general among the poorer social classes and emerging economies. Charles et al. (2007) suggested that individuals in lower economic status or emerging economies serve conspicuous consumption as a means to fight the negative impression of being poor. They argued that visible consumption is negatively related to the mean income of the individual's reference group (Charles et al., 2007). In simple term, the more affluent a society or peer group is, the less important visible consumption becomes (Charles et al., 2007).

2.4.1 Gen Y's Consumption Behaviour

Study of O'cass and McEwen (as cited in Kim and Jang, 2014) suggests that status and prestige considerations are currently playing an important role in forming consumer behaviours. Especially for Gen Y who born between 1977 and 1994 (Paul, 2001) has been acculturated into a materialistic society (Bakewell and Mitchell, 2003). According to Ger and Belk (as cited in

Bakewell and Mitchell, 2003), the promulgation of the "America Dream" with the support of technologies has indoctrinated the concept that material goods and wealth are good and desirable. Roberts and Manolis found that (as cited in Bakewell and Mitchell, 2003) younger generations are induced to "trade up" as they tend to relate higher prices per se with better quality and value. In addition to the availability of credit cards and student loans, Gen Y has been socialized into a world where debt is used to finance spending (Kara et al., 1994; Ritzer, 1995). Schor's study (as cited in Roberts and Jones, 2001) suggests that access to easy credit plays a major part in causing overspending. As compared with the previous generation, Gen Y has been socialized into an environment that supplies more opportunities and reasons to shop (Bakewell and Mitchell, 2003).

In fact, one of the important factors that shape consumer behaviour is others' influence (Bearden et al., 1989). Bearden, Netemeyer and Teel (1989) defined consumer susceptibility to interpersonal influence as "the need to identify with or enhance one's image in the opinion of significant others through the acquisition and the use of products and brands, the willingness to conform to the expectations of others regarding purchase decisions." Study of Argo and Main (as cited in McFerran et al., 2010) further discusses that consumers are sensitive of others' behaviour in a retail context. Kim and Jang (2014) noted that Gen Y may have a strong desire to express a certain impression or social norms as they are susceptible to their reference group. It is parallel with the study of Twenge (2010) as extrinsic values like materialism and status appear gradually across generation. It is found that Gen Y will continue to pursue extrinsic goals with consumerism and define themselves via their purchases or experiences (Kim and Jang, 2014).

Furthermore, Gen Y is more likely to experience overspending due to have extra money from their parents. Unlike previous generations, Gen Y grew up with fewer siblings and more-affluent parents in which their parents are

typically both working (Kotler et al., 2012). Hence, they have more disposable income as their parents gave them more pocket money than they had enjoyed themselves (Kotler et al., 2012). This has related to O'Curry's study (as cited in O'Curry and Strahilevitz, 2001) which suggests that easy money is easier to spend on hedonic goods compared to regular income. The reason is that it feels less guilt in acquiring hedonic goods by using easy money than hard earned money (O'Curry and Strahilevitz, 2001). As a result, easy money obtained from parents appears to promote more hedonic choices, which will consequently lead to overspending due to excessive pursue of pleasure.

2.4.2 Relationship between Consumption Behaviour and Investment Behaviour

In fact, study of the relationship between consumption behaviour and investment behaviour is limited, there is no specific study found on this topic. However, it can be related indirectly from others' researchers' studies. Keynes's study suggests that (as cited in Garegnani, 1978) consumption should be discouraged if it is to increase investment volume. High consumption with respect to income contributes low investment and slow growth; while high saving creates high investment and rapid growth (Samuelson and Nordhaus, 2010). Thus, it is believed that consumption is kind of negatively related to investment. It is considerably reasonable to think that by given an amount of income, increase in consumption will decrease in saving which will then lessen the amount to invest.

2.5 Risk Behaviour

Purpose to have investment is to earn more income. Investment has many ways and many choices. For investment to get high return will facing the high risk. The risk or reward tradeoff lies at the heart of portfolio construction. In essence the concept suggests that the higher the risk inherent in an investment, the larger the potential return. HSBC defines it as follows: "Low risks are associated with low potential returns. High risks are associated with high potential returns. The risk return tradeoff is an effort to achieve a balance between the desire for the lowest possible risk and the highest possible return. Higher risk means higher standard deviation and higher returns. Consumer behavior can be seen as an instance of the adventure (Bohn, H., & Deacon, R. T. 2000). Perceived risk to the consumer effect the investment decision making.

2.5.1 Gen Y's risk behavior

Generation Y includes more than 76 million people in nearly 900 billion spending power. In contrast, the baby boomers, are also numbered 76 million, there are $ 2.5 trillion in spending power. They harvest the golden age of revolution return chemistry, manufacturing, technology revolution, the information age, abundant energy and globalization. For the MFS result, for the statement 'I will never feel comfortable investing in the stock market'. 40% of Gen Y agree this statement. In Gen Y investors, 54% feel overwhelmed to choose from, 47% tend to postpone investment decisions. Due to fear of risk, 30% of Gen Y will protect their principal for the primary investment objective. 33% of the Gen Y will invest to the share. In 2010, in financial planning or

control cash by themselves aged 25-35 is more than 80%. Protect the principal to investment are important but too much risk aversion is not suitable for long term investment.

The risk averseness and high volatility of risk leading Gen Y to use the recommendation from financial advisers and other experts. Survey research by the Investment Company Institute does show a lower stated risk tolerance in Gen Y compared with what analysts observed in Gen X at the same age. Gen Y will more aver risk compare to Gen X. To attract some young investors, advisers will need a Gen Y investors may have with the stock and ready to make long-term investments, a source of anxiety for the case-sensitive. Many young employees are invested in target maturity fund. It tends to have a high concentration of stocks far retired workers and gradually turned to the investment structure become more conservative over time.

Gen Y interesting to investment but lack of confidences to invest. They full with financial information and taking control of their financial management. Gen Y will to regular deposited money into their investment account but for choose the investment product will depends the advisor suggestion. Gen Y lack of patient, usually will choose the short term product and low risk product.

2.6 Demographic Variable

Age is found to have significant effect towards investment behaviour according to previous studies. Kreinin (1959) found that there is a positive relationship between age and stock ownership. Zhong and Xiao (1995) also found that age has a positive effect on stock holdings. They further explained that holding stock investment is a complement for retirement funds. Hossain and Nasrin (2012) had also found that age has significant effect on equity selection decision.

An increasing number of researches implied that gender differences affect investment decision. Studies show that women are more conservative in making investment decision (Bajtelsmit and Bernasek, 1996; Sunden and Surette, 1998) and are more risk averse than men (Cronson and Gneezy, 2009). These are supported by the study of Embrey and Fox (1997) which found that women are more likely to invest in less risky assets than men. One study concluded that women are less knowledgeable in personal finance than men (Chen and Volpe, 2002). However, there are also previous studies found that gender has no significant effect on investment behaviour. Zhong and Xiao (1995) found that gender affects only bond holdings but no effects on stock holdings.

Sunden and Surette (1998) concluded that gender marital status has significantly affect individuals' attitude in selecting the allocation of assets in defined-contribution plans. Women who are older and had experience on marital dissolution, are more likely to invest in housing market (Embrey and Fox, 1997). Study revealed that marital status has a major impact on investment decision (Jain and Mandot, 2012). Roussanov and Savor (2012) found that single CEOs who like to demonstrate status concerns, are worked with firms that show higher stock return volatility and practise more aggressive investment policies.

Study analysis provides evidence that race has play a role in investment preferences (Farrell, 2011). Zhong and Xiao (1995) revealed that whites has higher investments than nonwhites in both stock and bond holdings. The study result is found consistent with Kreinin's (1959) study, where Kreinin pointed out that the degree of exposure to banks and other financial institutions may contribute to the differences in investments between whites and nonwhites (as cited in Zhong and Xiao, 1995).

Many studies indicate that education level has significant effect on investment behaviour. Embrey and Fox (1997) found that women with a lower education level are less likely to invest in housing market. Kreinin (1959) concluded that education is powerful in determining whether a person would own stocks. This is consistent with

the study done by Hossain and Nasrin (2012) who found that education level is significantly affecting stock investment decision.

2.7 Review of Relevant Theoretical Models

2.7.1 Saving-Investment Approach

Saving equals to investment, this idea was first appeared in the classical theory. According to the classical theory (as cited in Cui, 2000), high saving rates will offer a way for investment at low interest rates. Since more people choose to save, more loanable fund is able to loan at low interest rate which encouraging investment. Conversely, low saving rates provide less fund which resulting in high interest rate and discouraging investment. Due to the interest-rate variation, saving and investment entered into equilibrium in the long run and the equilibrium is named as "natural rate of interest". This saving-drive-investment theory gives an idea that investment is affected by saving which is corresponding with the model suggested in this paper.

In fact, the saving-investment approach was later revised by John Maynard Keynes with a more refine theoretical framework. In Keynesian conception (as cited in Cui, 2000), income is equal to the value of output, where the value of output is the sum of consumption and investment; on the other hand, saving is the surplus of income after consumption, this gives a result that saving is equal to investment. However, instead of agreeing with the classic saving-drive-investment theory, Keynes suggests that investment is based on future profit expectation. Investment spending via the multiplier effect raises aggregate income, accordingly increases saving. Investment is seen as self-liquidating fund, which is not determined by the prior saving level. Moreover,

banks allow a temporary decline in liquidity enables initial investment financed without prior saving.

Still, critics from Robertson (1936) and Ohlin (1937) (as cited in Cui, 2000) contended that banks would charge a high interest rate as compensation to offset the reduction of their liquidity. As a result, high interest rates cause high cost of capital which will then discourage investment. The casual relationship of investment determines saving exchanges back to the origin. The propose model of this paper, saving as independent variable affects investment is still valid. Issahaku (2011) found that saving is one of the factors that drive household investment in Nadowli.

2.8 Conclusion

Overall this chapter provides a better understanding on the characteristics of Gen Y along with the dependent variable, which is investment behaviour; and independent variables, which includes saving, consumption and risk behaviour.

CHAPTER 3: METHODOLOGY

3.0 Introduction

The main objective of this study is to investigate the relationship in between the investment behavior with the saving, consumption and risk. This chapter will discuss about the method that used to examine the main objectives of this study. The research design, theoretical framework, hypotheses statements, data collection methods, sampling design, construct measurement and data analyzing are included in this chapter.

3.1 Research Design

The research done is considered as a causal research. This type of research can be conducted to determine the cause and effect relationship among the variables. Moreover, causal research is also used to compute the degree of the effect of a change in an independent variable towards a change in a dependent variable (DJS Research Ltd., 2005). Causal research is used as the research designfor this research since it is able canidentify the cause and effect relationship between the independent variables (saving behavior, spending behavior, risk behavior and demographic profile) and the dependent variable (investment behavior).

The research in this paper can be considered as quantitative research. Quantitative research is used to determine the relationship between the independent variable and the dependent variable (Hopkins, 2000). This type of research uses numerical data to

establish a mathematical model, theories or hypothesis that can be used to describe a situation or condition (Sibanda, 2009). Therefore, this research is conducted under quantitative research since the data is tabulated in numerical form.

3.2 Conceptual Framework

Figure 3.1: Conceptual framework of share investment

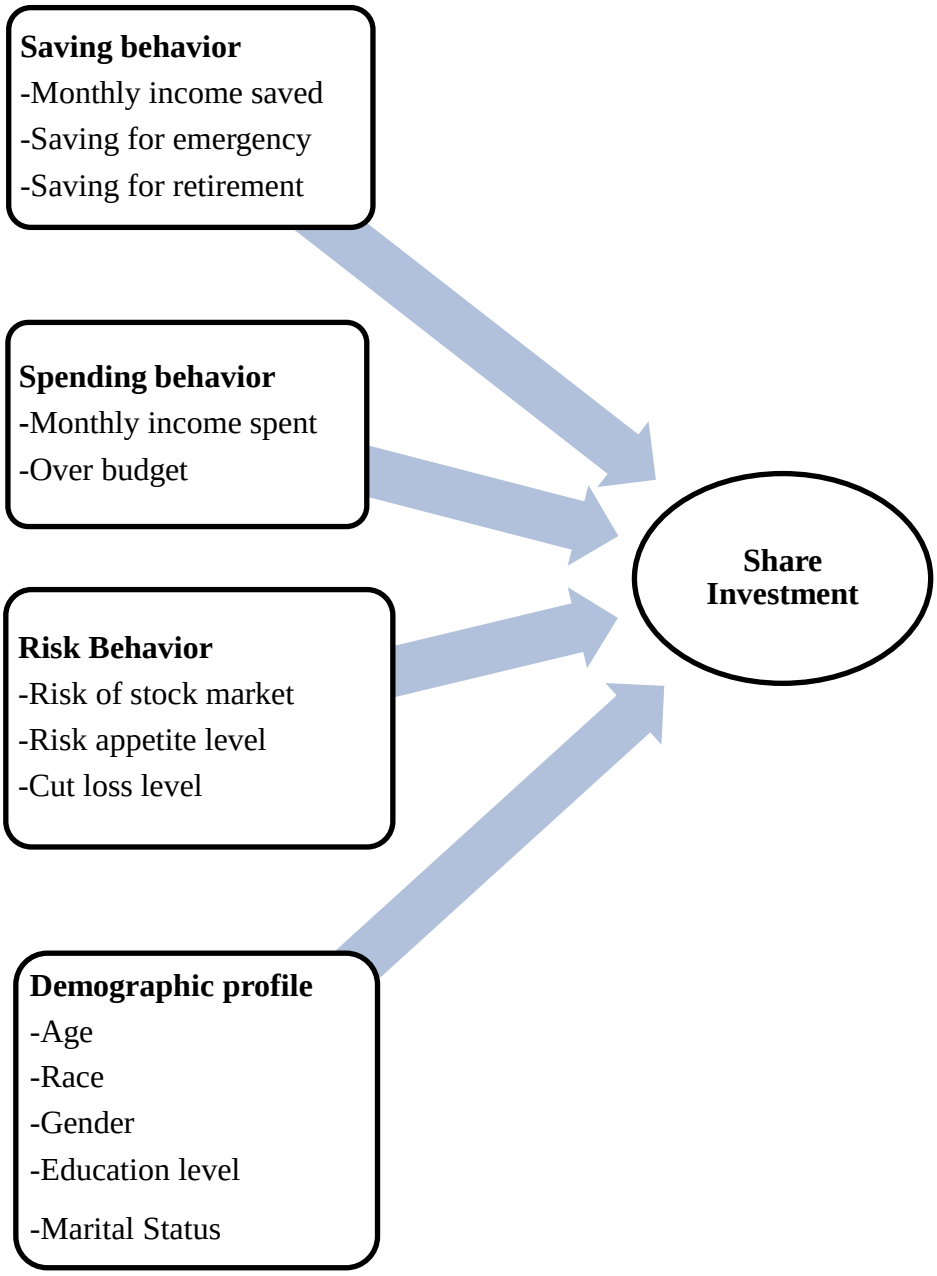
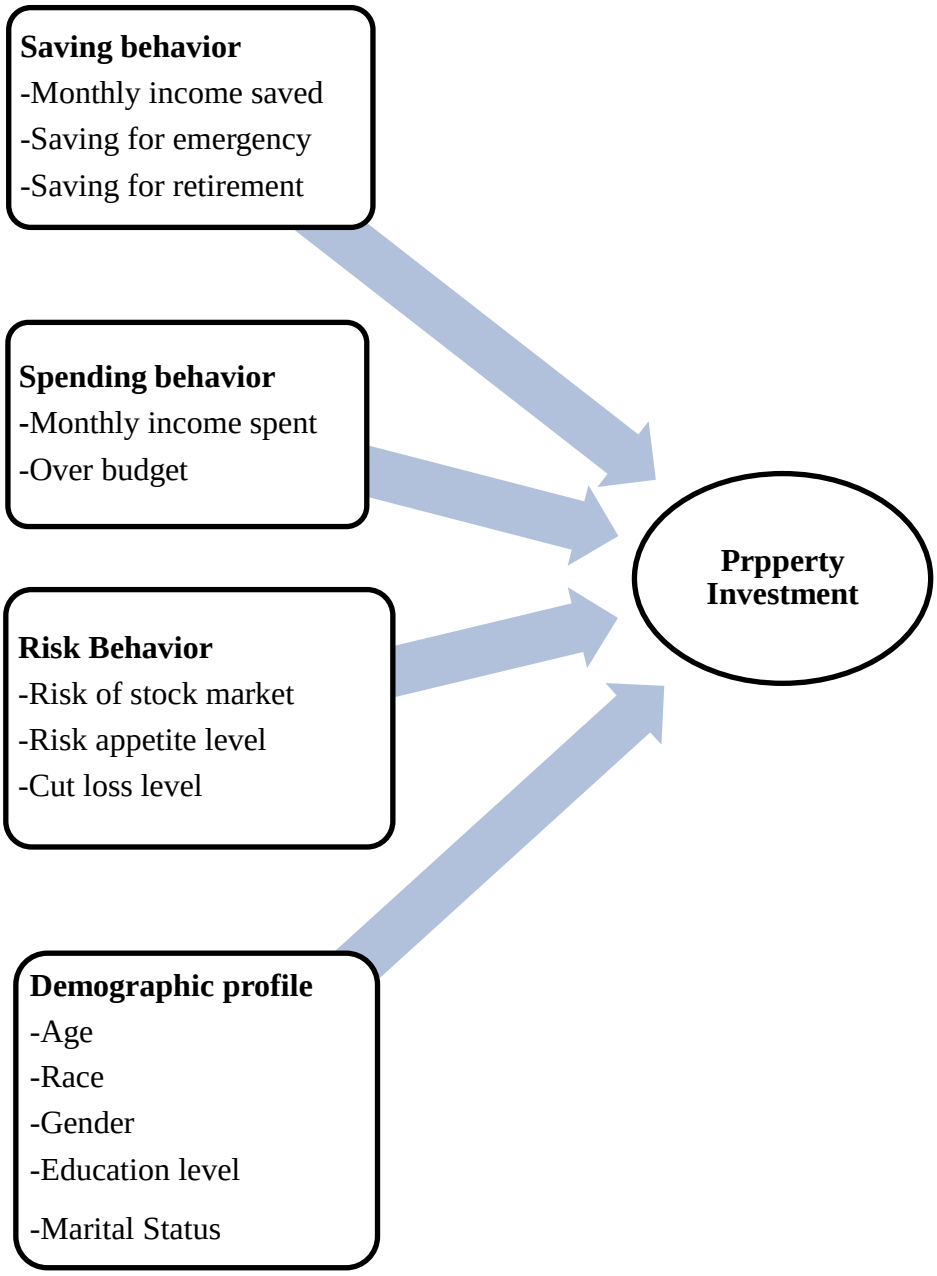


Figure 3.2: Conceptual framework of property investment



3.3 Hypotheses Statements

H_1: There is a significant relationship between monthly income saved and share.

H_2: There is a significant relationship between saving for emergency and share.

H_3: There is a significant relationship between saving for retirement and share.

H_4: There is a significant relationship between monthly income spent and share.

H_5: There is a significant relationship between over budget and share.

H_6: There is a significant relationship between risky level of stock market and share.

H_7: There is a significant relationship between risk appetite level and share.

H_8: There is a significant relationship between cut loss level and share.

H_9: There is a significant relationship between age and share.

H_{10}: There is a significant relationship between gender and share.

H_{11}: There is a significant relationship between marital status and share.

H_{11}: There is a significant relationship between race and share.

H_{13}: There is a significant relationship between education level and share.

H_{14}: There is a significant relationship between monthly income saved and property.

H_{15}: There is a significant relationship between saving for emergency and property.

H_{16}: There is a significant relationship between saving for retirement and property.

H_{17}: There is a significant relationship between monthly income spent and property.

H_{18}: There is a significant relationship between over budget and property.

H_{19}: There is a significant relationship between risky level of stock market and property.

H_{20}: There is a significant relationship between risk appetite level and property.

H_{21}: There is a significant relationship between cut loss level and property.

H_{22}: There is a significant relationship between age and property.

H_{23}: There is a significant relationship between gender and property.

H_{24}: There is a significant relationship between marital status and property.

H_{25}: There is a significant relationship between race and property.

H_{26}: There is a significant relationship between education level and property.

3.4 Data Collection Methods

3.4.1 Primary Data

The source of the primary data was come from the existing questionnaire which is done by Ganesan (2012). This study aimed the working Generation Y of Malaysia which normally refers to the people born in 1980s until early 1990s which are result of baby boom. Hence, the targeted population will be in the range of 18 to 34 years old in Malaysia. However, those who are still study in high schools, colleges or universities are excluded from this research. Both convenience sampling and simple random sampling were used in this research. Convenience sampling choose the people who are easy to reach while simple random sampling make sure that each people in the range of easy-to-reach have the same opportunity of being chosen.

The questionnaire was distributed through the hardcopy form to the targeted group in certain area which is easy to reach. At the same time, the questionnaire was also being distributed as the online survey through the online social media and e-mail.

3.4.2 Secondary Data

The information for the literature reviews were collected from the secondary data which are collected by the authors of the papers. The sources of the

information are included the data from the articles, books, journals, magazines and newspapers. The data collected was used to investigate the reviews of opinions of others authors in the aspect of investment behavior, saving, consumption and risk.

3.5 Sampling Design

3.5.1 Target Population

This study aimed the working Generation Y of Malaysia which normally refers to the people born in 1980s until early 1990s which are result of baby boom. Hence, the targeted population will be the people that are in the range of 18 to 34 years old and living in Malaysia.

3.5.2 Sampling Frame and Sampling Location

Questionnaires were designed in this research as an instrument for collecting data. The questionnaires were distributed to the Generation Y in Kuala Lumpur, Selangor, Perak, Johor, Kelantan, Terengganu, Pulau Pinang, Pahang, Melaka, Kedah and Negeri Sembilan by using convenience sampling method. Convenience sampling method was used since there was no complete name list of Generation Y in Malaysia. Hence, there is no sampling frame that a sample can be drawn randomly to make sure that each Generation Y have a same probability for being chosen.

3.5.3 Sampling Technique

Both convenience sampling was used in this research. As mentioned above, convenience sampling method was used because lacking of the complete name list of Generation Y in Malaysia. Convenience sampling method is the sampling method that chooses the people who are easy to reach in the area of the survey done.

The questionnaire was distributed through the hardcopy form to the targeted group in certain area which is easy to reach. At the same time, the questionnaire was also being distributed as the online survey through the online social media and e-mail.

3.5.4 Sampling Size

There are 482 samples were collected from the survey done. The samples are included 164 males and 318 females. The respondent are live in Kuala Lumpur, Selangor, Perak, Johor, Kelantan, Terengganu, Pulau Pinang, Pahang, Melaka, Kedah and Negeri Sembilan.

3.6 Research Instrument

The research instrument used in this research included the questionnaire and reading. The type of questionnaire used is a structured questionnaire which is also known as close ended form where the question asked is short and simple while the answer is guided by providing a few choices of answer to be chosen. The questions formed in

this questionnaires are included the dichotomous questions and multiple choice questions.

This questionnaire included 5 five sections: demographic profile, investment behavior, saving behavior, spending behavior and risk behavior. For the demographic profile section, information on the age, gender, marital status, race, education level, employment status and annual income will be inquired. For the investment behavior section, the method of investment of the respondents will be asked.

For the saving behavior section, the percentage of the monthly saving, preparation of the emergency fund and retirement fund will be asked. For the spending behavior section, the monthly budget and frequency of the out of budget will be asked. While for the risk behavior section, risk appetite level and cut-loss level will be asked.

Table 3.1: Measuring construct

No.	Statement	Measuring Construct
Dependent Variable		
No. 26	I will invest in share.	Investment Behavior
	I will invest in property.	
Independent Variable		
No. 1	Age	Demographic profile
No. 2	Gender	
No. 3	Marital status	
No. 4	Race	
No. 6	Education level	
No. 11	I will save certain percentage of income.	Saving Behavior
No. 17	I will save money for emergency.	
No. 23	I will save money for retirement.	
No. 12	I will spend certain percentage of income.	Spending Behavior
No. 15	I will spent out of budget sometimes	

No. 26	I think invest in stock market is risky	Risk Behavior
No. 42	I will invest depend on risk	
No. 44	I can accept loss in investment until certain level.	

Besides questionnaires, reading is another research instrument used in this research. The reading is included the public documents and private documents. However, the reading materials used in this research is mostly public documents which are used in the Chapter 2 (Literature Reviews) of this research.

3.7 Constructs Measurement (Scale and Operational Definitions)

3.7.1 Nominal scale

For the nominal scale, the number does not giving any meaning but it is just a representative of the element of a group that without any ranking or order. The nominal scale in this research included gender, marital status, race, saved for retirement, saved for emergency, opinion on the risk of stock market.

3.7.2 Ordinal scale

For the ordinal scale, it is similar to the nominal scale but it has a given order or ranking. Moreover, the range in between the choice of the ordinal scale does not giving any meaning. The ordinal scale in this research included the education level, frequency of out of budget and risk appetite investing.

3.7.3 Ratio scale

For the ratio scale, the magnitudes of the input and the intervals have their meaning. Other than that, the measurement is absolute zero where the zero is meaningful. The ratio scale in this research included age, percentage of monthly income spent, percentage of monthly income saved and cut loss level in investment.

3.8 Data Analysis

Data analysis the procedure that runs after the research data collected. This process is help to transform the numerical data into the word-form information for the readers. Its main objective is to investigate the relationship between the dependent variables and independent variable through the statistical or logical techniques. This procedure can help to understand the inferential statistics and help to write a more accurate report on the study or research. However, determine the data analysis procedures that are suitable for the study is also important before the data is being analyzed. There are a lot of method can be used in the data analysis procedure, the data analysis techniques that are used widely included univariate analysis, bivariate analysis, multivariate analysis which are under the qualitative research.

3.8.1 Descriptive Analysis

Descriptive analysis can be used to describe the main components of the variables (Sekaran & Bougie, 2010). It also used to summarize the data tabulated in a meaningful way and sometimes it can help the readers to see the pattern of the data. However, descriptive data may be a good method to describe the data but it cannot be used to conclude the analysis of research. Unprocessed data is hard for interpreting especially when there is large number of data presented. However, descriptive analysis able to show the data in a way that is easier to interpret which give a series of numerical number that is meaningful.

The type of statistic that is used in this research is measure of central tendency or also known as measures of central location. The valid measures of central tendency are included mode, mean, and median. However, sometimes one of the measures of central tendency is more suitable than the others under certain situation. Table 3.1 below explained which measure of central tendency will be more suitable under different situation.

Table 3.2 Descriptive Analysis

Level of Measurement	Nominal	Ordinal	Interval or Ratio
Central Tendency	Mode	Median	Mean
Dispersion (how similar the responses are)	Frequencies/ percentage distribution	Cumulative percentage distribution	Standard Deviation
Diagram	Bar Chart/ Pie Chart	Bar Chart/ Pie Chart	Histogram

Source: Burns & Bush (2003) Marketing Research: Online research Applications (4th Ed.). New Jersey: Prentice hall.p.445

3.8.1.1 Frequency Analysis

Frequency analysis is used to analyze the frequency of the happening of an observation (Malhotra, 2007). The measures of central tendency which included mode, mean and median can be analyzed through this analysis. The valid cases are determined and the percentage of the frequency will be calculated. Hence, the percentage of valid cases and the cumulative percentage of valid cases can be found.

3.8.2 Inferential Analysis

Commonly, inferential analysis used statistical tests to make predictions or inferences through the pattern of an observation. The result of inferential analysis usually is used to check the relationship between the intervention and outcome and also the strength between each other. Inferential analysis usually used to predict the trend or situation of a population through an estimation of the sample data collected which will imaged to the condition of the targeted population. Hence, it can be said that the inferential analysis is used to make a sample to represent a whole targeted population. The inferential analysis that is used widely included linear regression analysis, logistic regression analysis, ANOVA, correlation analysis and others. The inferential analysis used in this research is logistic regression analysis.

3.8.2.1 Logistic Regression Analysis

Logistic regression is used to analyze the relationship between the independent categorical variables with at least 2 categories and a binary dependent variable (Sweet & Grace, 1999).It is similar to the linear regression but the linear regression analyzes the linear relationship between the independent variables and dependent variable. Since that logistic regression is not analyze the linear relationship, then the logarithm of the likelihood ratio is used. The likelihood ratio test is used to compare the fitness of null model and alternative model. The statistic is shown in log-likelihood ratio statistic. While the Omnibus test is used to examine whether there is a large distance between the explained variance and unexplained variance. Correlation Coefficient, r is used to determines the strength and direction of the linear relationship between variables. The r-squared is referred to the fitness of model to the data. It tells that how well the prediction on dependent variables. Hosmer-Lemeshow test is similar to the Chi-square test, which describes the fitness of the model to the data.

3.9 Conclusion

This chapter has discussed about the method that used to examine the main purpose of this study. The research design, theoretical framework, hypotheses statements, data collection methods, sampling design, construct measurement and data analyzing have been included in this chapter. Since the methods have been decided, the test will be run by using the Statistical Package for the Social Science (SPSS) software in the next chapter.

CHAPTER 4: DATA ANALYSIS

4.0 Introduction

This chapter presents the results of data analysis revealed the discovery. The discussion will focus on the goals and assumptions are detailed in Chapter I and II. Statistical analysis of data using frequency, descriptive and binary logistic regression analyzes.

4.1 Descriptive Analyses (Respondent Demographic Profile)

4.1.1 Age profile of respondent

There is a total number of 482 sets of questionnaires have been collected in this research through the questionnaire survey and online survey in Malaysia. Table 4.1 shows the distribution of the age of the respondents between 18 and 32. More than two-third (68.8%) of the Generation Y respondents are aged between 20 and 26.

Table 4.1: The age of respondents

		Frequency	Percent
Valid	18	4	.8
	19	18	3.7
	20	48	10.0
	21	52	10.8
	22	42	8.7
	23	53	11.0
	24	52	10.8
	25	48	10.0
	26	36	7.5
	27	28	5.8
	28	44	9.1
	29	20	4.1
	30	22	4.6
	31	6	1.2
	32	9	1.9
	Total	482	100.0

4.1.2 Gender profile of respondents

Table 4.2 shows the gender of the respondents. The table shows 66.0% are female (318 respondents) while 34.0% (164 respondents) are male. Female is the major gender group of this study.

Table 4.2: The gender of the respondents

		Frequency	Percent
Valid	Male	164	34.0
	Female	318	66.0
	Total	482	100.0

4.1.3 Marital Status of Respondents

Table 4.3 shows the data on marital status of respondent. 78.6% (379 respondents) of respondents are single and 21.4% (103 respondents) of respondents are married. As shown in Table 4.3 the majority of the respondents are single.

Table 4.3: The marital status of respondents

		Frequency	Percent
Valid	Single	379	78.6
	Married	103	21.4
	Total	482	100.0

4.1.4 Race of Respondents

Table 4.4 below shows the race of the respondents. The majority of the respondents are Malays that is 52.7% (254 respondents) and 36.5% (176 respondents) are Chinese. Indians and others accounted for 10.8% of the respondents (52 respondents).

Table 4.4: The race of the respondents

		Frequency	Percent
Valid	Malays	254	52.7
	Chinese	176	36.5
	Indians and others	52	10.8
	Total	482	100.0

4.1.5 Education level of Respondents

Table 4.5 shows the education level of the respondents. 50.8% of the respondents have an education level of upper secondary and below. STPM or Pre University and above accounted for the remaining of 49.2%.

Table 4.5: The education level of respondents

		Frequency	Percent
Valid	Upper secondary and below	245	50.8
	STPM/Pre-university and above	237	49.2
	Total	482	100.0

4.1.6 Saving behavior of respondents

Table 4.6 shows the percentages of monthly income that being saved by respondents. The highest percentage of monthly income saved by respondents is 20.0%. 18.0% of the respondents (87 respondents) will save 20.0% of their total income. The result shows a missing number of 102 respondents (21.2%) who do not answer this question.

Table 4.6: The percentage of monthly income saved

		Frequency	Percent
Valid	1	7	1.5
	2	2	.4
	3	2	.4
	5	15	3.1
	6	1	.2
	8	1	.2
	9	1	.2
	10	74	15.4
	11	15	3.1
	12	2	.4
	14	1	.2
	15	13	2.7
	17	1	.2
	20	87	18.0
	21	1	.2
	25	8	1.7
	28	1	.2
	30	54	11.2
	31	1	.2
	33	1	.2

		Frequency	Percent
	35	4	.8
	37	1	.2
	38	1	.2
	39	1	.2
	40	32	6.6
	45	2	.4
	50	38	7.9
	55	1	.2
	59	1	.2
	60	6	1.2
	70	5	1.0
	Total	380	78.8
Missing	0	102	21.2
Total		482	100.0

Table 4.7 shows the percentages of the respondents to allocate money for emergency. Majority of the respondents (89.0%) will allocate money for emergency. The rest of the 11.0% of respondents will not allocate money for emergency.

Table 4.7: The allocation of emergency fund

		Frequency	Percent
	Yes	429	89.0
Valid	No	53	11.0
	Total	482	100.0

Table 4.8 shows the intention to save for retirement of the respondents. Majority of the respondents (54.4%) have the intention to save for retirement. The rest of 45.6% of respondents have no intention to save for retirement.

Table 4.8: The intention to save for retirement

		Frequency	Percent
Valid	Yes	262	54.4
	No	220	45.6
	Total	482	100.0

4.1.7 Spending behavior of respondents

Table 4.9 shows the percentage of monthly income that being spent by respondents. Majority of the respondents (13.5%) spend up to 80.0% of their monthly income, followed by 12.4% of respondents spend 50.0% of their monthly income. 18.7% of respondents do not spend their monthly income, this may due to respondents have no income to spend. 3.3% of respondents will fully use up their income.

Table 4.9: Percentage of monthly income spent

		Frequency	Percent
Valid	0	90	18.7
	2	1	.2
	4	1	.2
	5	9	1.9
	10	15	3.1
	11	1	.2
	15	3	.6
	20	14	2.9
	30	30	6.2
	40	19	3.9
	45	2	.4
	50	60	12.4
	60	50	10.4
	65	5	1.0
	66	1	.2
	70	52	10.8
	75	4	.8
	80	65	13.5
	83	1	.2
	85	3	.6
	86	1	.2
	90	27	5.6
	94	1	.2
	95	6	1.2
	99	5	1.0
	100	16	3.3
	Total	482	100.0

Table 4.10 shows the frequency of over spending by respondents. 51.0% of respondents sometimes spend over their budget. Only 4.6% of respondents never spend over their budget.

Table 4.10: The frequency of over budget

		Frequency	Percent
Valid	Often	94	19.5
	Sometimes	246	51.0
	Rarely	120	24.9
	Never	22	4.6
	Total	482	100.0

4.1.8 Investment Risk Profile of Malaysian Generation Y

Table 4.11 shows the percentages of respondents feel risky to invest in stock market. 79.9% of respondents feel risky to invest in stock market. Only 20.1% of respondents do not feel risky to invest in stock market.

Table 4.11: The opinion of risk in investing in stock market

		Frequency	Percent
Valid	Yes	385	79.9
	No	97	20.1
	Total	482	100.0

Table 4.12 shows the level of risk taking by respondents. The result shows that 42.7% of respondents will accept a moderate risk level while invest,

followed by 34.9% of respondents accept a low risk level and 15.4% accept a high risk level. Only 7.1% of respondents can accept a very high risk level while invest.

Table 4.12: The risk appetite respondents

		Frequency	Percent
Valid	Low	168	34.9
	Moderate	206	42.7
	High	74	15.4
	Very high	34	7.1
	Total	482	100.0

Table 4.13 shows the cut loss level of the respondents. The majority of 43.6% of respondents have only 10.0% of cut loss level of capital, followed by 18.9% of respondents with a 20.0% of cut loss level. 18.3% of respondents have a cut loss level up to 80%.

Table 4.13: The cut loss level of respondents

		Frequency	Percent
Valid	10	210	43.6
	20	91	18.9
	30	56	11.6
	40	14	2.9
	50	23	4.8
	80	88	18.3
	Total	482	100.0

4.2 Central Tendencies Measurement of Constructs

Table 4.14 shows the central tendencies of research which are mean, median and mode. From the results shown in Table 4.14, respondents have an average age of 24 year old. Number of the female respondents is almost twice of the male respondents. Most of them are still single. Over half of the total respondents are Malays.

Table 4.14: Central Tendencies

Central Tendencies

	Mean	Median	Mode
Age	24.26	24.00	23
Gender	1.66	2.00	2
Marital status	1.21	1.00	1
Race	1.58	1.00	1
Education	.49	.00	0
Saving percent	24.45	20.00	20
Spent	48.61	50.00	0
Out budget	2.15	2.00	2
Emergency	1.11	1.00	1
Retirement	1.46	1.00	1
Stock risk	1.20	1.00	1
Risk appetite	1.95	2.00	2
Cut loss	29.77	20.00	10
Share	.18	.00	0
Property	.39	.00	0

4.3 Inferential Analyses / Statistical Models

4.3.1 Binary Logistic regression

4.3.1.1 Share as dependent variable

Share is dependent variable and saving behavior, spent behavior and investment risk are independent variable.

Table 4.15 shows the case processing summary. The missing case is 21.2%, with a number of 102 respondents who do not answer this session of question. Total case is 482 respondents.

Table 4.15: The case processing summary

Case Processing Summary

Unweighted Cases[a]		N	Percent
Selected Cases	Included in Analysis	380	78.8
	Missing Cases	102	21.2
	Total	482	100.0
Unselected Cases		0	.0
Total		482	100.0

a. If weight is in effect, see classification table for the total number of cases.

Table 4.16 merely show that 0= not invested, 1= invested. Table 4.17 shows the coding of the Categorical Variables. Parameter with the coding 0 is the reference group.

Table 4.16: Dependent Variable Encoding

Dependent Variable Encoding

Original Value	Internal Value
No	0
Yes	1

Table 4.17: Categorical Variables Codings

Categorical Variables Codings

		Frequency	Parameter coding	
			(1)	(2)
Race	Malays	193	.000	.000
	Chinese	148	1.000	.000
	Indians and others	39	.000	1.000
Do you think investing in stock market is risky?	Yes	312	1.000	
	No	68	.000	
Marital status	Single	300	.000	
	Married	80	1.000	
Education	Upper secondary and below	184	.000	
	STPM/Pre-university and above	196	1.000	

Do you allocate money for emergency?	Yes	345	1.000	
	No	35	.000	
Have you started saving for retirement?	Yes	210	1.000	
	No	170	.000	
Gender	Male	129	.000	
	Female	251	1.000	

Table 4.19 shows the predicted to respondents invested or not invested of share. The result was 306 of respondents who were not invested and 74 of respondents were invested to share. SPSS has predicted that all respondents not invested on share, which result in 0% accuracy for the respondents who were invested and 100% accuracy for those not invested on share. Overall the model correctly classifies 80.50 % of respondents.

Table 4.18: Iteration History

Iteration History[a,b,c]

Iteration		-2 Log likelihood	Coefficients
			Constant
Step 0	1	377.137	-1.221
	2	374.701	-1.409
	3	374.694	-1.419
	4	374.694	-1.420

a. Constant is included in the model.

b. Initial -2 Log Likelihood: 374.694

c. Estimation terminated at iteration number 4 because parameter estimates changed by less than .001.

Table 4.19: Classification Table

Classification Table[a,b]

Observed			Predicted		
			Do you invest in share?		Percentage Correct
			No	Yes	
Step 0	Do you invest in share?	No	306	0	100.0
		Yes	74	0	.0
	Overall Percentage				80.5

a. Constant is included in the model.

b. The cut value is .500

Table 4.20 and Table 4.21 show the summary of the model. The value of the constant (B) is -1.42. Table 4.21 shows the variables not in the equation. The overall statistic of 45.44 is the residual chi-square statistic. The variable not in the equation is significant when the p-value is not more than 0.10.

Table 4.20: Variables in the equation

Variables in the Equation

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 0	Constant	-1.420	.130	120.075	1	.000	.242

Table 4.21: Variables not in the equation

Variables not in the Equation

			Score	df	Sig.
Step 0	Variables	Age	.362	1	.547
		Gender(1)	5.900	1	.015
		Marital status(1)	.672	1	.413
		Race	14.817	2	.001
		Race(1)	14.188	1	.000
		Race(2)	.064	1	.800
		Education	23.829	1	.000
		Saving percent	.158	1	.691
		Spent percent	2.769	1	.096
		Out budget	.863	1	.353
		Emergency(1)	.007	1	.934
		Retirement(1)	1.030	1	.310
		Stock risk(1)	.176	1	.675
		Risk appetite	8.906	1	.003
		Cut loss	.055	1	.815
	Overall Statistics		45.440	14	.000

Table 4.22 to table 4.24 contains Omnibus Tests of Model Coefficients, model summary and classification table which are represent the summary statistics about new model. Log-likelihood value is multiplied by two, makes it possible to compare value. Initial -2 log likelihood is 374.69 but now share variable has been included this value has been reduced to 325.82. The reduction

shows us that the model is better at predicting. The classification table shows the new result, 299 of respondents will not invest to share. 7 respondents will invest to the share but misclassifies 74 others. Chi-square is 48.87 (374.69-325.82), initial -2 log likelihood minus new -2 log likelihood. The value is significant at 0.05 levels.

Table 4.22: Omnibus Tests of Model Coefficients

Omnibus Tests of Model Coefficients

		Chi-square	df	Sig.
Step 1	Step	48.870	14	.000
	Block	48.870	14	.000
	Model	48.870	14	.000

Table 4.23: Model Summary

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	325.824[a]	.121	.192

a. Estimation terminated at iteration number 5 because parameter estimates changed by less than .001.

Table 4.24: Classification Table

Classification Table[a]

Observed			Predicted		
			Do you invest in share?		Percentage Correct
			No	Yes	
Step 1	Do you invest in share?	No	299	7	97.7
		Yes	67	7	9.5
	Overall Percentage				80.5

a. The cut value is .500

Table 4.25 contains the variables in the equation which show the significance of the variables. The variable is considered as significant if the p-value is smaller than 0.10. Hence, there are only 4 variables are significant which are gender, race, education level and risk appetite in investing.

Table 4.25: Variables in the Equation

Variables in the Equation

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1[a]	Age	.013	.048	.069	1	.793	1.013
	Gender(1)	-.667	.301	4.891	1	.027	.513
	Marital status(1)	-.110	.400	.076	1	.783	.896
	Race			8.317	2	.016	
	Race(1)	.932	.331	7.949	1	.005	2.540
	Race(2)	.258	.512	.255	1	.614	1.295
	Education(1)	1.309	.326	16.093	1	.000	3.701
	Saving percent	.007	.010	.548	1	.459	1.008
	Spent	-.004	.006	.422	1	.516	.996
	Out budget	-.166	.201	.681	1	.409	.847
	Emergency(1)	.268	.499	.290	1	.590	1.308
	Retirement(1)	-.108	.312	.119	1	.731	.898
	Stock risk(1)	-.045	.387	.013	1	.908	.956
	Risk appetite	.465	.170	7.511	1	.006	1.592
	Cut loss	-.004	.006	.310	1	.578	.996
	Constant	-3.165	1.460	4.701	1	.030	.042

The Hosmer-Lemeshow tests are to test the model made the prediction of null hypothesis is fit perfectly with research. This is to predicted probability on criterion variable. A chi-square statistic is computed comparing the observed

frequencies with those expected under the linear model. A non- significant chi-square shows that the data fit the model well.

Table 4.26: Hosmer and Lemeshow Test

Hosmer and Lemeshow Test

Step	Chi-square	df	Sig.
1	9.726	8	.285

Table 4.27: Contingency Table for Hosmer and Lemeshow

Contingency Table for Hosmer and Lemeshow Test

		Do you invest in share? = No		Do you invest in share? = Yes		Total
		Observed	Expected	Observed	Expected	
Step 1	1	36	36.788	2	1.212	38
	2	38	36.045	0	1.955	38
	3	37	35.131	1	2.869	38
	4	32	34.053	6	3.947	38
	5	30	32.722	8	5.278	38
	6	31	31.163	7	6.837	38
	7	33	29.414	5	8.586	38
	8	25	27.132	13	10.868	38
	9	23	24.235	15	13.765	38
	10	21	19.318	17	18.682	38

4.3.1.2 Property as dependent variable

Property is dependent variable and saving behavior, spent behavior and investment risk are independent variable.

Table 4.28 shows the case processing summary. The missing case is 21.6%, 104 respondents. Respondents did not answer this session of question. Total case = 482.

Table 4.28: The case processing summary

Case Processing Summary

Unweighted Cases[a]		N	Percent
Selected Cases	Included in Analysis	378	78.4
	Missing Cases	104	21.6
	Total	482	100.0
Unselected Cases		0	.0
Total		482	100.0

a. If weight is in effect, see classification table for the total number of cases.

The function of table 4.29 and table 4.30 is same with table 4.16 and table 4.17 respectively.

Table 4.29: Dependent Variable Encoding

Dependent Variable Encoding

Original Value	Internal Value
No	0
Yes	1

Table 4.30: Categorical Variables Codings

Categorical Variables Codings

		Frequency	Parameter coding	
			(1)	(2)
Race	Malays	193	.000	.000
	Chinese	148	1.000	.000
	Indians and others	39	.000	1.000
Do you think investing in stock market is risky?	Yes	312	1.000	
	No	68	.000	
Marital status	Single	300	.000	
	Married	80	1.000	
Education	Upper secondary and below	184	.000	
	STPM/Pre-university and above	196	1.000	
Do you allocate money for emergency?	Yes	345	1.000	
	No	35	.000	
Have you started saving for retirement?	Yes	210	1.000	
	No	170	.000	
Gender	Male	129	.000	
	Female	251	1.000	

Table 4.32 shows the predicted to respondents invested or not invested of property. Initial -2 Log Likelihood is 513.067. The result was 224 of respondents who were not invested and 154 of respondents were invested to property. SPSS has predicted that all respondents not invested on property, which result in 0% accuracy for the respondents who were invested and 100% accuracy for those not invested on property. Overall the model correctly classifies 59.5% of respondents.

Table 4.31: Iteration History

Iteration History[a,b,c]

Iteration		-2 Log likelihood	Coefficients
			Constant
Step 0	1	513.069	-.379
	2	513.067	-.384
	3	513.067	-.384

a. Constant is included in the model.

b. Initial -2 Log Likelihood: 513.067

c. Estimation terminated at iteration number 3 because parameter estimates changed by less than .001.

Table 4.32: Classification Table

Classification Table[a,b]

Observed			Predicted		
			Do you invest in property?		Percentage Correct
			No	Yes	
Step 0	Do you invest in property?	No	226	0	100.0
		Yes	154	0	.0
	Overall Percentage				59.5

a. Constant is included in the model.

b. The cut value is .500

Table 4.33 and table 4.34 show the summary of the model. The value of the constant (B) is -0.38. Table 4.21 shows the variables not in the equation. The overall statistic of 53.37 is the residual chi-square statistic. The variable not in the equation is significant when the p-value is less than 0.10.

Table 4.33: Variables in the equation

Variables in the Equation

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 0	Constant	-.384	.104	13.476	1	.000	.681

Table 4.34: Variables not in the equation

Variables not in the Equation

		Score	df	Sig.
Step 0	Variables	Age	2.403	1	.121
		Gender(1)	.674	1	.412
		Marital status(1)	.385	1	.535
		Race	34.842	2	.000
		Race(1)	24.334	1	.000
		Race(2)	3.199	1	.074
		Education	.288	1	.591
		Saving percent	4.136	1	.042
		Spent	7.855	1	.005
		Out budget	2.313	1	.128
		Emergency(1)	.430	1	.512
		Retirement(1)	14.476	1	.000
		Stock risk(1)	.180	1	.671

Risk appetite	.601	1	.438
Cut loss	.322	1	.570
Overall Statistics	53.366	14	.000

Table 4.35, table 4.36 and table 4.37 contained Omnibus Tests of Model Coefficients, model summary and classification table which are represent the summary statistics about new model. Log-likelihood value is multiplied by two, makes it possible to compare value. Initial -2 log likelihood is 513.067 but now property variable has been included this value has been reduced to 456.352. The reduction shows us that the model is better at predicting. The classification table shows the new result, 175 of respondents will not invest to share. 82 respondents will invest to the share but misclassifies 123 others. Chi-square is 56.715 (513.067-456.352), initial -2 log likelihood minus new -2 log likelihood. The value is significant at 0.05 levels.

Table 4.35: Omnibus Tests of Model Coefficients

Omnibus Tests of Model Coefficients

		Chi-square	df	Sig.
Step 1	Step	56.715	14	.000
	Block	56.715	14	.000
	Model	56.715	14	.000

Table 4.36: Model Summary

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	456.352[a]	.139	.187

a. Estimation terminated at iteration number 4 because parameter estimates changed by less than .001.

Table 4.37: Classification Table

Classification Table[a]

Observed			Predicted		
			Do you invest in property?		Percentage Correct
			No	Yes	
Step 1	Do you invest in property?	No	175	51	77.4
		Yes	72	82	53.2
	Overall Percentage				67.6

a. The cut value is .500

Table 4.38 contains the variables in the equation which show the significance of the variables. The variable is considered as significant if the *p*-value is smaller than 0.10 due to the 90% of CI for odd ratio which this test is a one-tailed test. Hence, there are only 4 variables are significant which are race, percentage of monthly income saved , percentage of monthly income spent and savings for the retirement.

Table 4.38: Variables in the Equation

Variables in the Equation

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1[a]	Age	.060	.039	2.405	1	.121	1.062
	Gender(1)	-.085	.249	.116	1	.734	.919
	Marital status(1)	.031	.315	.009	1	.923	1.031
	Race			20.392	2	.000	
	Race(1)	1.132	.261	18.885	1	.000	3.103
	Race(2)	.995	.385	6.681	1	.010	2.706

	Education(1)	-.130	.242	.287	1	.592	.878
	Saving percent	.022	.008	7.300	1	.007	1.022
	Spent	.009	.005	3.252	1	.071	1.009
	Out budget	.259	.161	2.603	1	.107	1.296
	Emergency(1)	-.166	.402	.171	1	.680	.847
	Retirement(1)	-.561	.250	5.058	1	.025	.571
	Stock risk(1)	-.170	.309	.304	1	.581	.843
	Risk appetite	.004	.137	.001	1	.974	1.004
	Cut loss	-.003	.005	.330	1	.566	.997
	Constant	-3.252	1.198	7.369	1	.007	.039

Table 4.39 and table 4.40 are similar to the table 4.26 and table 4.27 respectively.

Table 4.39: Hosmer and Lemeshow Test

Hosmer and Lemeshow Test

Step	Chi-square	df	Sig.
1	3.449	8	.903

Table 4.40: Contingency Table for Hosmer and Lemeshow

Contingency Table for Hosmer and Lemeshow Test

		Do you invest in property? = No		Do you invest in property? = Yes		Total
		Observed	Expected	Observed	Expected	
Step 1	1	32	33.110	6	4.890	38
	2	31	30.606	7	7.394	38
	3	29	28.804	9	9.196	38

4	31	26.683	7	11.317	38
5	23	24.297	15	13.703	38
6	20	21.510	18	16.490	38
7	18	19.043	20	18.957	38
8	16	16.898	22	21.102	38
9	14	14.112	24	23.888	38
10	12	10.939	26	27.061	38

4.4 Discussion of Results and Hypotheses testing conclusion

Logistic regression was used to retrieve the effect of the independent variable on the probability of the respondent to invest in the share

Table 4.41: Hypotheses testing conclusion

Hypothesis	Dependent Variable	Independent Variables	Result
H_1	Share	Monthly income saved	Not supported
H_2	Share	Saving for emergency	Not supported
H_3	Share	Saving for retirement	Not supported
H_4	Share	Monthly income spent	Not supported
H_5	Share	Over budget	Not supported
H_6	Share	Risky level of stock market	Not supported
H_7	Share	Risk appetite level	Supported
H_8	Share	Cut loss level	Not supported
H_9	Share	Age	Not supported
H_{10}	Share	Gender	Supported
H_{11}	Share	Marital status	Not supported

H_{12}	Share	Race	Supported
H_{13}	Share	Education level	Supported
H_{14}	Property	Monthly income saved	Supported
H_{15}	Property	Saving for emergency	Not supported
H_{16}	Property	Saving for retirement	Supported
H_{17}	Property	Monthly income spent	Supported
H_{18}	Property	Over budget	Not supported
H_{19}	Property	Risky level of stock market	Not supported
H_{20}	Property	Risk appetite level	Not supported
H_{21}	Property	Cut loss level	Not supported
H_{22}	Property	Age	Not supported
H_{23}	Property	Gender	Not supported
H_{24}	Property	Marital status	Not supported
H_{25}	Property	Race	Supported
H_{26}	Property	Education level	Not supported

H_7: There is a significant relationship between risk appetite level and share.

H_{10}: There is a significant relationship between gender and share.

H_{11}: There is a significant relationship between marital status and share.

H_{13}: There is a significant relationship between education level and share.

H_{14}: There is a significant relationship between monthly income saved and property.

H_{16}: There is a significant relationship between saving for retirement and property.

H_{17}: There is a significant relationship between monthly income spent and property.

H_{25}: There is a significant relationship between race and property.

4.5 Conclusion

For the investment in share, logistic regression was used to retrieve the effect of the independent variable on the probability of the respondent to invest in share. The

model consisted of 13 variables which are age, gender, marital status, race, education, saving percent, spending percent, frequency of out of budget, emergency saving, retirement saving, risk of stock, risk appetite and cut loss of investment. The full model consisting of all estimators are significant, x^2 (5, n=380) = 48.87, p< 0.001, stated that the model is able to differentiate the respondent who did invest in share and did not invest in share. The model described the variance in between 12.1% (Cox & Snell R-Squared) and 19.2% (Nagelkerke R-Squared) and correctly categorized 80.5% of cases. However, only 4 independent variables are significant to the model which is gender, race, education level and risk appetite in investing. The strongest estimator to the model is education which is odd ratio of 3.70 while gender is the lowest with 0.51.

For the investment in property, logistic regression was also used in order to retrieve the effect of the independent variable on the probability of the respondent to invest in property. The model consisted of 13 variables which are age, gender, marital status, race, education, saving percent, spending percent, frequency of out of budget, emergency saving, retirement saving, risk of stock, risk appetite and cut loss of investment. The full model consisting of all estimators are significant, x^2 (4, n=378) = 56.72, p< 0.001, stated that the model is able to differentiate the respondent who did invest in share and did not invest in share. The model described the variance in between 13.9% (Cox & Snell R-Squared) and 18.7% (Nagelkerke R-Squared) and correctly categorized 67.6% of cases. However, only 4 independent variables are significant to the model which is race, saving percent, spending percent and retirement saving. The strongest estimator to the model is Chinese with the odd ratio of 3.10 while retirement saving is the lowest with 0.57.

CHAPTER 5: CONCLUSION AND RECOMMENDATION

5.0 Introduction

In the previous chapter, the data was analyzed by 3 main types of method of analysis which are frequency analysis, descriptive analysis and logistic regression analysis. $H_{7,}$ $H_{10,}$ $H_{12,}$ $H_{13,}$ $H_{14,}$ $H_{16,}$ H_{17} and H_{25} are supported by the result of the analysis done.

In this chapter, overall conclusion of the research will be discussed. Moreover, managerial implication and the limitation of this research will be discussed and based on the result of the data analysis done in previous chapter. Other than that, recommendations for the future research are suggested.

5.1 Managerial Implications and Recommendation

In the previous chapter, the data analysis done was concluded that there are 8 hypotheses that are supported by the result of the data analysis. The investment into share was found that there is a significant relationship with gender, race, education, and risk appetite respectively while the investment into property was found that there is a significant relationship with race, percentage of monthly income saved, percentage of monthly income spent and saving for retirement respectively. Race is found that there is a relationship with the both investment techniques. Hence, the managerial implications of these independent variables will be discussed in this

chapter. Moreover, government and marketers will be given advice based on result of the analysis done.

5.1.1 Share Investment

5.1.1.1 Gender

Among the demographic characteristics, gender shows a significant relationship towards the choice of choosing share as an investment method. This indicates that there is a difference between female and male when comes to share investment. Male tends to have more than female in choosing share as an investment method since its show negative coefficient where male as reference. Government or business marketers may need to take gender factor into account when promoting share investment especially to male.

5.1.1.2 Race

The result shows that race is statistically significant to the selection of share as an investment method. This explains that there is a discrepancy among races in choosing share as an investment. Chinese is the race that most likely to invest in share since its highest coefficient where Malays is the reference group. Indians and other races also more likely to invest in share compared with Malays. Government and marketers should take note on the race factor when advocating share investment especially to Chinese.

5.1.1.3 Education

Among the predictor variables, education level shows the most significant results with a p-value of 0. The result shows that choosing share as an investment method has positively affected by people's education level. Those people with higher education level tend to invest in share compare with lower education level. This is because the positive coefficient with the reference group of lower education level. This will provide an insight for government as well as finance and business marketers to consider in approaching to people with higher education level to engage in share market. Finance and business marketers can target on this group of people by educating them on the knowledge of share market. While government can consider formulate policy in ensuring the transparency of the share market in order to attract this bunch of smart people.

5.1.1.4 Risk Appetite

The outcome of the research shows that risk appetite matters to the choice of respondents from choosing share investment. It shows that risk appetite is positively affecting the choice of picking share as an investment method since the coefficient is positive. The result virtually makes sense as Gen Y considers share market as a dangerous place to invest. Therefore it requires them to have a high risk appetite while putting their money into the share market.

Government should pay attention to this issue and take appropriate action to ameliorate the bad impression of share market that perceived by Gen Y.

5.1.2 Property Investment

5.1.2.1 Race

The result shows that race is statistically significant to the option of choosing property investment. This indicates that there is a discrepancy among races in choosing property as an investment method. The data shows that Chinese is most likely to invest in property compared with Malays, Indians and others since Chinese show the highest positive coefficient. Indians and other races are more likely to invest in property compared with Malays. Hence, government and marketers should take note on the race factor when promoting property investment especially to Chinese.

5.1.2.2 Saving Percentage

The output result shows that saving percentage is statistically significant with a p-value of 0.007. There is a positive relationship between saving percentage and taking property investment since the coefficient is positive. This illustrates that Gen Y with higher saving percentage is more likely to invest in property market. This will give marketer a brief idea in creating suitable financial product to capture potential Gen Y buyers. Policymakers can also

utilize this information to design better policy. Government can make use of this information in adjusting fiscal policy.

5.1.2.3 Expenditure Percentage

The output result shows that saving percentage is statistically significant with a p-value of 0.071. There is a positive relationship between saving percentage and taking property investment since the coefficient is positive. This illustrates that Gen Y with higher spending is more likely to invest in property market. Government may need to take note on this issue; because people with higher spending and at the same time invest in housing market can suffer from having too much debt. They could fall behind with their mortgage payment and facing foreclosure. In order to prevent this from happening, government should formulate underlying policy to tackle this problem. Finance marketers should also be prudent screening of borrowers to reduce credit risk.

5.1.2.4 Retirement

Retirement factor has shown a significant relationship towards choosing property investment. Gen Y who do not preparing for retirement saving is more likely to make property investment since coefficient is negative where the reference group is those who do not prepare for retirement saving. Government is recommended to lower the interest rate to make housing price more affordable to young people. Moreover, it is essential to strengthen the underlying policy to prevent certain people from taking advantage by driving

housing prices. Financial marketers are also advised to provide affordable loan at lower interest and flexi the qualification requirements to young buyers.

5.2 Limitation of Study

There are a few limitation are found is this research. The sample size of 482 respondents in this research is not a large sample size that can illustrate a result which is more accurate due to constraint of geographic factor that some area in Malaysia is hard to reach. Insufficient of time and budget are another cause of this limitation.

Moreover, the geographical factor caused the research have to use the convenient sampling method which distribute the questionnaire to the person who are easier to reach. The using of this sampling method may cause bias in result. Hence, the result will be less accuracy.

5.3 Recommendation for Future Research

From the limitation found in the previous, it was found the geographic factor in Malaysia caused this type of research is difficult to collect data from all population in Malaysia, a few recommendations were suggested in order to overcome these limitation in future research.

One of the recommendations is that the researchers are encouraged to use the online survey to collect the data. Generation Y is the generation that grew up with technologies and rely more on them in their daily life. Hence, the questionnaires will be easier to reach to them through the online networking websites such as Facebook, Twitter, Tumblr and Google+. Moreover, the cost and time spent are less than the survey through the hardcopy form.

Another recommendation suggested is that the researchers can use multilingual questionnaires in order to reduce the time taken to interview the respondents who are

preferred to use mother language. Hence, the survey can be done in an efficient way and then sample size collected will be larger. Other than that, questionnaires can be designed in a way that the respondents will easier to understand especially for those who are not highly-educated.

5.4 Conclusion

This research is aimed to investigate the investment behavior among Generation Y. this research included 2 investment methods as the dependent variables which are investment to share and investment to property. There are 4 main groups of independent variables, which are saving behavior, spending behavior, risk behavior and demographic profile. The saving behavior included percentage of monthly income saved, saving for emergency and saving for retirement while the spending behavior included percentage of monthly income spent and frequency of over budget. The risk behavior included risk of stock market, risk appetite in investment and cut loss of investment. Hence, there are 13 independent variables and 2 dependent variables.

After the data was collected through the survey, the data with sample size of 482 respondents was analyzed with descriptive analysis and binary logistic regression analysis by using the Statistical Package of Social Science (SPSS) software. It was found that there are 4 independent variables have a significant relationship with share investment which are gender, race, education, and risk appetite. There are also 4 independent variables have a significant relationship with property investment which are ace, percentage of monthly income saved, percentage of monthly income spent and saving for retirement.

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APPENDICES

(APPENDIX A)

Dear Sir / Madam,

I would be thankful if you could participate in this survey by filling up this questionnaire. This questionnaire is conducted as part of a research project of Master of Business Administration from UTAR.
Please be assured that all information will be treated with the strictest confidentiality and only the collective data will be analyzed. Thank you for your precious time in participating in the survey.

SECTION 1 – Demographic Profile (Demografi)

1) Age *(Umur)* _____

2) Gender *(Jantina)*

☐ Male (Lelaki) ☐ Female (Perempuan)

3) Marital Status *(Status Perkahwinan)*

☐ Single (Bujang) ☐ Married (Berkahwin)

4) Race (*Kaum*)

☐ 1. Malay ☐ 2.Chinese ☐ 3. Indian ☐ 4. Other (Lain-lain)_____

5) Which state are you currently working at?
Di negeri manakah anda sedang bekerja ?

☐	Wilayah Persekutuan KL	☐	Sabah
☐	Selangor	☐	Sarawak
☐	Perak	☐	Johor
☐	Kelantan	☐	Terengganu
☐	Perlis	☐	Pulau Penang
☐	Pahang	☐	Melaka
☐	Kedah	☐	Negeri Sembilan

6) What is your highest education attained?
Apakah pendidikan tertinggi yang anda perolehi?

☐	No Schooling (Tidak bersekolah)	☐	Primary (Sek Rendah-UPSR)
☐	Lower Secondary (Sek Men. PMR)	☐	Secondary (Sek Men. - SPM)
☐	STPM/Pre-University (STPM/Pre-U)	☐	Diploma/Vocational/Technical (Diploma)
☐	Degree (Ijazah Muda)	☐	Master/PhD (Pasca graduan)
☐	Other, please specify (Lain-lain, sila nyatakan) :_____		

7) What is your employment status?
Apakah status perkerjaan anda?

☐	Employee of Private Sector	(Pekerja Swasta)
☐	Government Employee	(Kakitangan Kerajaan)
☐	Self-Employed	(Bekerja sendiri)
☐	Employer	(Majikan)
☐	Housewife	(Surirumah)
☐	Others, please specify _____	Lain lain _____

8) Please indicate your current working position?
Sila nyatakan jawatan perkerjaan semasa anda?

☐	Junior Executive	(Eksekutif Junior)
☐	Senior Executive	(Eksekutif Senior)
☐	Managerial	(Pengurus)
☐	Top Management	(Pengurus atasan)
☐	Others, please specify _____	Lain lain _____

9) Please indicate your Annual Income?
Sila nyatakan pendapadatan tahunan anda?

☐	< RM 12,000
☐	RM 12,001 – RM 24,000
☐	RM 24,001 – RM 36,000
☐	RM 36,001 – RM 48,000
☐	RM48, 000 – RM 60,000
☐	> RM60,000

SECTION 2 – Information Sources (Sumber Informasi)

10) Please select on the following information sources that you <u>prefer to obtain</u> <u>INFORMATION ON SAVING & INVESTMENT.</u>

Sila pilih pada sumber-sumber maklumat yang berikut yang <u>anda gemar gunakan untuk</u> <u>mendapatkan maklumat mengenai Penjimatan & Pelaburan</u>.

Please mark your answer with a "✓", there can be more than one answer

☐	Relatives & Friends	(Saudara mara & rakan-rakan)
☐	Parents & Sibling	(Ibubapa & Adik-beradik)
☐	Books & Magazine	(Buku & Majalah)
☐	Newspaper	(Suratkhabar)
☐	Brochure & Catalogue	(Risalah & Katalog)
☐	Blog/Facebook	(Blog/Facebook)
☐	Websites/On-line Portal	(Laman web)
☐	Radio	(Radio)
☐	Television	(Televisyen)
☐	Seminar/Talks	(Seminar/Ceramah)

SECTION 3 –Spending & Saving Patterns (Corak Perbelanjaan dan Simpanan)

11) Percentage (%) of MONTHLY income that being SAVED (excluding EPF)? _____

Berapa peratus (%) daripada pendapatan BULANAN yang sedang disimpan (tidak termasuk KWSP)? _____

Your saving channels (Cara Simpanan Anda) : There can be more than one (Boleh pilih lebih daripada satu)

☐	Unit Trust	(Tabung Amanah)
☐	Saving Accounts	(Akaun Simpanan Semasa)
☐	Fixed Deposit	(Akaun Simpanan Tetap)
☐	Shares/Security	(Saham/Securiti)
☐	Investment linked Insurance Policy	(Polisi Insuran Pelaburan)

12) Percentage (%) of MONTHLY income that being SPENT?

_____

Berapakah peratus (%) daripada pendapatan BULANAN yang akan dibelanjakan? _____

Your spending (*Cara perbelanjaan Anda*) : There can be more than one (*Boleh pilih lebih daripada satu*)

☐	Car Loan Installment	(Pinjamam Kereta)
☐	Housing Loan Installment	(Pinjaman Rumah)
☐	House Rental	(Sewa Rumah)
☐	Education Loan or Tuition Fees	(Yuran Pendidikan)
☐	Insurance	(Ansuran Insuran)
☐	Daily necessities	(Barangan Keperluan harian)
☐	Parents Pocket Money	(Wang Saku Ibubapa)
☐	Monthly household expenditure (example utilities bills)	(Perbelanjaan bulanan rumahtangga)- seperti Bill utility
☐	Transportation	(Pengangkutan)
☐	Entertainment & Leisure	(Hiburan and Percutian)

13) What are your MAIN PURPOSES of your money saving?

(*Please choose not more than 3 answers)*

Apakah tujuan UTAMA anda menyimpan wang?
(Pilih tidak melebihi 3 jawapan)

☐	For future Investments	(Pelaburan masa depan)
☐	Vacation	(Percutian)
☐	Down payment for house	(Wang dahuluan untuk pembelian rumah)
☐	Children's education	(Bayaran pendidikan anak anak)
☐	For my wedding	(Simpanan untuk perkahwinan)
☐	Retirement	(Persiapan Persaraan)
☐	Emergency & unforeseen circumstances	(Kecemasan yang tidak djangka)

☐ Start a business (Mulakan perniagaan)

14) Which SAVINGS METHOD do you prefer? (*Please choose not more than 3 answers)*

Kaedah simpanan manakah anda lebih suka? (Pilih tidak melebihi 3 jawapan)

☐ Saving Account (Akaun Simpanan)
☐ Fixed Deposit (Deposit Tetap)
☐ Shares (Saham)
☐ Unit Trust Fund (Kumpulan Wang Amanah)
☐ Foreign Currency (Mata Wang Asing)
☐ Gold (Emas)

15) How often would you say you spend the money on things that OUT OF YOUR BUDGET?

Berapa kerap anda akan berkata anda membelanjakan wang ke atas barangan di luar belanjawan anda?

☐ Often (Selalu) ☐ Sometimes (Kadangkala)

☐ Rarely (Jarang) ☐ Never (Tidak Pernah)

16) Would you say you are saving and investing AS MUCH MONEY AS YOU SHOULD?

Adakah anda menyimpan dan melabur wang sebanyak yang anda harus?

☐ As much as I should (Sebanyak mana yang harus)
☐ Should be saving and investing more (Patut menyimpan dan melabur lagi)
☐ I am not sure (Saya tidak pasti)

17) Do you allocate money for emergency?

Adakah anda memperuntukkan wang untuk kecemasan?

☐ Yes (Ya)
☐ No (Tidak)

18) How many <u>MONTHS WORTH OF LIVING EXPENSES</u> can your savings cover?

Daripada wang simpanan anda, berapa bulankah wang tersebut boleh MENAMPUNG SARA HIDUP anda?

☐ Less than 1 month	Kurang daripada 1 bulan
☐ 1 to 2 months	1 hingga 2 bulan
☐ 3 to 4 months	3 hingga 4 bulan
☐ 5 to 6 months	5 hingga 6 bulan
☐ 7 to 8 months	7 hingga 8 bulan
☐ 9 to 12 months	9 hingga 12 bulan

19) What motivate you to save?

Apa yang mendorong anda untuk menyimpan?

	Strongly Disagree	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**
	Sangat Tidak Setuju	**Tidak Setuju**	**Tidak Pasti**	**Setuju**	**Sangat Setuju**
	1	**2**	**3**	**4**	**5**
A. Since young I been educated on the important of saving (Sejak kecil saya telah dididik mengenai kepentingan penjimatan)					
B. My saving habit **was influenced by information** from media (eg Internet, newspaper, radio, TV) (Tabiat menyimpan saya dipengaruhi oleh maklumat daripada sumder media)					
C. I save as I fear of **unforeseen circumstance** (Saya menyimpan kerana bimbang situasi yang tidak dijangka)					

D. I save for **Medical Emergency** (Saya menyimpan untuk wang kecemasan perubatan)					
E. I save for the benefit of my family **financial future** (Saya menyimpan untuk kebaikan masa depan keluarga)					
F. I save to achieve **financial freedom** (Saya menyimpan untuk mencapai kebebasan kewangan)					

20) What are the steps to ensure saving is done?

Apakah langkah-langkah untuk memastikan simpanan dilakukan?

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
	1	**2**	**3**	**4**	**5**
A. I always follow a monthly budget (Saya sentiasa mematuhi belanjawan bulanan)					
B. I prepare a list of required items ahead of time before shopping (Saya menyediakan senarai Barangan yang diperlukan terlebih dahulu sebelum membeli-belah)					
C. I assure that I purchased item which are reasonable price (Saya memastikan bahawa saya membeli barangan yang berpatutan harga)					
D. I do not spend on item which I do not required (Saya tidak berbelanja atas barangan yang tidak diperlukan)					
E. I always bring small amount of cash to prevent impulse (Saya selalu membawa jumlah wang yang kecil untuk mengelakkan perbelanjaan spontan)					

21) What are the reasons that hinder you from saving money?

Apakah sebab-sebab yang menghalang anda daripada menyimpan wang?

☐	Low Income	(Pendapatan rendah/tidak mencukupi)
☐	Too many fixed expenditures	(Terlalu banyak perbelanjaan tetap)
☐	Low interest rate	(Kadar faedah yang rendah)
☐	Lack of knowledge on how to save	(Kurang pengetahuan tentang bagaimana untuk menjimatkan)
☐	I would rather spend and enjoy the best now, and worry about saving when I'm much older	(Saya lebih suka membelanja dan menikmati yang terbaik sekarang dan berfikir tentang simpanan kemudiannya)
☐		
☐	Others, please specify _____	Lain lain _____

22) Do you worry about DEBT?
Adakah anda bimbang tentang hutang?

☐ Yes (Ya) ☐ No (Tidak)

23) Have you STARTED SAVING FOR YOUR RETIREMENT?
Adakah anda mula menyimpan untuk persaraan anda?

☐ Yes (Ya) ☐ No (Tidak)

24) Do you worry that you will not have enough money during retirement age?
Adakah anda bimbang bahawa anda tidak akan mempunyai wang yang mencukupi semasa usia persaraan?

☐ Yes (Ya) ☐ No (Tidak)

25) Are you <u>WILLING TO SWITCH TO BANKS</u> which provide free Personal Financial Management (PFM) advice/services?
Adakah anda bersedia untuk menukar ke bank yang menyediakan nasihat/perkhidmatan Pengurusan Kewangan Peribadi (PFM)secara percuma?

☐	Yes (Ya)	☐	No (Tidak)

SECTION 4 –Investment Techniques (Teknik Pelaburan)

26) Which investment method do you think is the best ? Please choose not more than 3 answers
Kaedah pelaburan manakah yang anda fikir merupakan yang terbaik? Sila pilih tidak melebihi 3 jawapan

☐	Saving and Fixed deposit in bank	(Simpanan tetap di bank)
☐	Unit trust (ASM, ASN, Mutual Fund)	(Unit Amanah Saham)
☐	Shares	(Saham)
☐	Investment linked insurance	(Polisi Insuran pelaburan)
☐	Buying property	(Membeli harta rumah)
☐	Foreign Currency	(Matawang asing)
☐	Gold	(Emas)

27) Do you have a DIVERSIFY PORTFOLIO in your investment?
Adakah anda mempelbagaikan potfolio pelaburan anda?

☐	Yes (Ya)	☐	No (Tidak)

28) When purchasing Share(s) which methods do you prefer?
Apakah cara yang anda pilih untuk pembelian saham?

☐	Online trading	(Dagangan secara online)
☐	Go through remisier	(Melalui 'Wakil Saham')
☐	Go through 3rd party	(Melalui pihak orang lain)

29) When purchasing Unit Trust, which method do you prefer?
Apakah cara yang anda pilih untuk pembelian unit amanah saham?

☐	Sales agent	(Agen Jualan)
☐	Directly from bank	(Melalui bank)
☐	Directly from Unit Trust companies	(Syarikat unit amanah saham)
☐	Online (exp: Fundsupermart.com)	(Online seperti Fundsupermart.com)

30) Which type of Unit Trust would you choose? ***Please choose not more than 3 answers.***

Apakah jenis unit amanah yang dipilih oleh anda? Sila pilih tidak melebihi 3 jawapan

☐	Growth Fund	(Tabung Pertumbuhan)
☐	Balance Fund	(Tabung Seimbang)
☐	Capital Guaranteed Fund	(Tabung Jaminan Kapital)
☐	100% bond Fund	(Tabuang Bon 100%)
☐	Equity Trust Funds (ETF)	(Tabungan Amanah Ekuiti)

31) From whom you will seek for INVESTMENT ADVICES? ***Please choose not more than 3 answers***

Siapakah yang anda akan mendapatkan nasihan tentang pelaburan ? ***Sila pilih tidak melebihi 3 jawapan***

☐	Friends	(Rakan-rakan)
☐	Family Members	(Ahli Keluarga)
☐	Sales agent	(Agen Jualan)
☐	Banks	(Bank)
☐	Unit trust companies	(Syarikat Unit Amanah Saham)
☐	Stock Brokering Firm	(Broker saham)
☐	Online resources such as blogs and forum	(Komuniti Online)

32) What are the factors you will consider before investing? ***Please choose not more than 3 answers***

Apakah factor-faktor yang anda akan mempertimbangkan sebelum melabur ? Sila pilih tidak melebihi 3 jawapan

☐	High Interest Returns	(Pulangan Faedah yang Tinggi)
☐	Security of investment	(Keselamatan pelaburan)
☐	Low Risk	(Risiko rendah)
☐	Accredited by agencies	(Diiktiraf oleh agensi-agensi)
☐	Recommended by Stock broking Firm	(Disyorkan oleh Firma broker Saham)
☐	Recommended by Friends & Family members	(Disyorkan oleh Kawan & Ahli-ahli keluarga)
☐	Recommended by Remisier	(Disyorkan oleh 'Wakil Saham')
☐	Others, please specify _____	Lain lain _____

33) How do you like to receive information on Investment Schemes/packages

offer by the banks?
Bagaimana anda ingin menerima maklumat mengenai Skim Pelaburan / pakej tawaran oleh bank-bank?

☐	SMS	(SMS)
☐	Emails	(Email)
☐	Newspapers	(Surat khabar)
☐	Television	(Televisyen)
☐	Telephone	(Melalui telefon)
☐	Sales agents	(Agent jualan)
☐	Others, please specify _____	Lain lain _____

34) Do you think parents should PURCHASE SHARES FOR THEIR CHILDREN AS A GIFT (such as birthday present)?
Adakah anda fikir ibubapa seharusnya membeli saham untuk anak-anak mereka sebagai hadiah (seperti hadiah hari jadi)?

☐ Yes (Ya) ☐ No (Tidak)

35) Do your PARENTS ENCOURAGE YOU TO INVEST IN STOCK MARKET?
Adakah ibubapa anda menggalakan anda untuk melabur di pasaran saham?

☐ Yes (Ya) ☐ No (Tidak)

36) Do you think investing in stock market is risky?
Adakah anda fikir melabur dalam pasaran saham adalah berisiko?

☐ Yes (Ya) ☐ No (Tidak)

37) Do you like investing in shares of Bursa Malaysia?
Adakah anda suka melabur di dalam saham Bursa Malaysia?

☐ Yes (Ya) ☐ No (Tidak)

SECTION 5 –Risk Profile (Profil Risiko)

38) Have you ever trade in the futures markets?
Adakah anda pernah melabur in pasaran dagangan hadapan?

☐ Yes (Ya) ☐ No (Tidak)

39) Have you ever trade in the forex market?
Adakah anda pernah melabur in pasaran matawang asing?

☐ Yes (Ya) ☐ No (Tidak)

40) Have you ever trade in commodity markets?
Adakah anda pernah melabur in pasaran komoditi?

☐ Yes (Ya) ☐ No (Tidak)

41) When you heard of the word "RISK" in financial context, which of the following come to your mind?
Apabila anda mendengar perkataan "RISIKO" dalam konteks kewangan, yang mana antara berikut yang akan anda fikirkan?

☐ Danger (Bahaya)
☐ Opportunity (Peluang)
☐ Uncertainty (Ketidakpastian)
☐ Thrill (Keseronokan)
☐ Not sure (Tidak pasti)

42) What is your risk appetite in investing?
Apakah RISIKO PILIHAN anda dalam pelaburan?

☐ Low (Rendah)
☐ Moderate (Serdahana)
☐ High (Tinggi)
☐ Very high (Sangat tinggi)

43) Have you ever invested in a risky investment (such as HIGH YIELD INVESTMENT PLAN) just for the thrill of it?

Pernahkah anda melabur dalam pelaburan berisiko tinggi (seperti Skim Perlaburan Pulangan Tinggi) hanya untuk keseronokan?

☐	No	(Tidak)
☐	Yes (Sometimes)	(Ya -kadangkala)
☐	Yes (Frequently)	(Ya -selalu)

44) Investments can go up or down in value. How much is CUT LOSS level that you practice in your investment?

Nilai pelaburan boleh naik dan turun. Berapa banyak tahap "CUT LOSS" (tahap sanggupan kerugian) dalam pelaburan anda?

☐	10% of my capital	(10% modal)
☐	20% of my capital	(20% modal)
☐	30% of my capital	(30% modal)
☐	40% of my capital	(40% modal)
☐	50% of my capital	(50% modal)
☐	No cut loss level	(Tiada tahap 'cut loss')

END OF SURVEY
THANK YOU FOR PARTICIPATING IN THIS SURVEY.

Source: Ganesan, A, S. (2012, May). *Consumption, Spending and Investment Behavior of Malaysia Generation Y*. Unpublished master's thesis, Universiti Tunku Abdul Rahman.