
CONSUMPTION, SPENDING AND INVESTMENT
BEHAVIOUR OF MALAYSIA GENERATION Y

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CONSUMPTION, SPENDING AND INVESTMENT
BEHAVIOUR OF MALAYSIA GENERATION Y

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ABSTRACT

In Malaysia, there is little investigation on Generation Y consumption and spending behaviour which directly affect their saving and investment decision. Therefore this study is to know more about Malaysian Generation Y and to fill the knowledge gap on their spending, saving and investment behaviour. The main purposed of this study is firstly to determine the consumption and spending patterns of Malaysia Generation Y, secondly to determine the level of saving and the forms of saving performed by them. Thirdly is to determine the method of investments practice by Malaysia Generation Y and their awareness of risk management investment and lastly is to determine the effective channels of communication with Generation Y.

This research adopts quantitative approach where data for this studies has been conducted by survey method targeted to Malaysian Generation Y those age between 19-32. A total of 592 set of questionnaire has been collected both manually and online survey form responded in 11 capital city of peninsular Malaysia. Form the study it was known that the average Gen Y spend 60% of their monthly income. It is also know that that most Malaysian Generation Y define investing in stock market are risky and majority of Malaysia Generation Y do not prefer investing in high risk investment. (Future Markets 84%, Forex Markets 98% and Commodity Markets 91%).The finding from this study also show that the prefer method of communication between with Malaysian Generation Y and Financial Institution/Banks are through online medium that is through email and online social media communication

CHAPTER 1

INTRODUCTION

This chapter presents the overview of the research that will be studied, its problem statements, research questions and the research objective of this project.

1.1 Research Background

The focus on studying Generation Y is significant as this group of the population will soon dominate the consumer market as the Baby Boomer generations are aging. With the Baby Boomers generation getting closer to retirement and their population getting smaller, their children the Generation Y are poised to take over as the largest group for policy makers and marketers to focus on. However, these generation groups have different characteristics compared to their parents 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. Therefore, businesses across all industries will need to know and appreciate the qualities and values of the Gen Y and being sensitive to their needs will be the key factor in expanding current businesses.

Generation Y, or in their other names such as the Millennial, Boomlets or the Echo Boomers, are those born roughly around from 1978 and 1994 and with various reports having their number between 60 million and 100 million, accounting for roughly 23 % of the United States population (Hanas, 2006). In Malaysia, based on the 2010 Population and Housing Census, figures as per Table 1, this Generation Y has accounted approximately 6.2 million or 27% of the total Malaysian population.

This generation was grown at the age of modern technology, educational availability, they are technologically savvy, and who is using cellular telephones and the Internet as a primary means of communication. A study done by (Wilson & Field 2007) found that connectivity is a constant of Generation Y lifestyle reflected in the skyrocketing popularity of online social-networking sites. The impact of technology has been considered as one of the factors of on Generation Y spending and saving habits.

Table 1: Malaysian Population 2010

| Kumpulan Umur Age Group | Jumlah Total | Warganegara Malaysia Malaysian Citizens | | | | | | | Bukan Warga- negara Malaysia Non- Malaysian citizens |
|-------------------------------|-------------------|--|-------------------|-------------------|-------------------------------------|------------------|------------------|---------------------|--|
| | | Jumlah Total | Bumiputera | Melayu Malay | Bumiputera Lain Other Bumiputera | Cina Chinese | India Indian | Lain-lain Others | |
| <i>Jumlah/Total</i> | | | | | | | | | |
| 0-4 | 3,291,816 | 3,008,310 | 2,252,600 | 1,875,496 | 377,104 | 533,343 | 186,170 | 36,197 | 283,506 |
| 5-9 | 3,049,120 | 2,783,526 | 2,031,272 | 1,684,274 | 346,998 | 533,096 | 182,130 | 37,028 | 265,594 |
| 10-14 | 2,824,107 | 2,686,033 | 1,909,243 | 1,571,678 | 337,565 | 545,232 | 184,772 | 46,786 | 138,074 |
| 15-19 | 2,646,135 | 2,548,123 | 1,823,433 | 1,489,105 | 334,328 | 512,152 | 170,895 | 41,643 | 98,012 |
| 20-24 | 2,553,047 | 2,442,423 | 1,717,509 | 1,404,789 | 312,720 | 517,503 | 171,946 | 35,465 | 110,624 |
| 25-29 | 2,378,080 | 2,225,347 | 1,531,967 | 1,249,339 | 282,628 | 500,162 | 164,033 | 29,185 | 152,733 |
| 30-34 | 2,111,549 | 1,851,466 | 1,211,260 | 980,281 | 230,979 | 466,935 | 151,238 | 22,033 | 260,083 |
| 35-39 | 1,925,924 | 1,660,763 | 1,046,792 | 845,936 | 200,856 | 452,345 | 142,359 | 19,267 | 265,161 |
| 40-44 | 1,825,245 | 1,628,881 | 1,015,144 | 825,516 | 189,628 | 457,633 | 136,702 | 19,402 | 196,364 |
| 45-49 | 1,637,938 | 1,489,555 | 906,805 | 743,333 | 163,472 | 440,370 | 125,920 | 16,460 | 148,383 |
| 50-54 | 1,400,087 | 1,313,129 | 788,898 | 642,880 | 126,018 | 415,616 | 114,310 | 14,305 | 86,958 |
| 55-59 | 1,130,881 | 1,080,442 | 615,041 | 518,429 | 96,612 | 361,857 | 92,404 | 11,140 | 50,439 |
| 60-64 | 785,732 | 756,705 | 421,659 | 352,515 | 69,144 | 270,873 | 57,347 | 6,826 | 29,027 |
| 65-69 | 545,587 | 531,774 | 289,008 | 239,513 | 49,495 | 201,212 | 37,159 | 4,395 | 13,813 |
| 70-74 | 376,193 | 366,104 | 196,636 | 159,908 | 36,728 | 140,889 | 25,560 | 3,019 | 10,089 |
| 75-79 | 221,017 | 215,468 | 111,897 | 89,246 | 22,651 | 87,473 | 14,320 | 1,778 | 5,549 |
| 80-84 | 123,151 | 117,986 | 60,139 | 47,758 | 12,381 | 48,635 | 7,543 | 1,669 | 5,165 |
| 85-89 | 50,858 | 48,367 | 21,237 | 16,332 | 4,905 | 23,584 | 2,907 | 639 | 2,491 |
| 90-94 | 21,173 | 20,060 | 9,721 | 7,772 | 1,949 | 8,949 | 1,115 | 275 | 1,113 |
| 95+ | 11,155 | 10,503 | 7,110 | 5,278 | 1,832 | 2,700 | 513 | 180 | 652 |
| Jumlah/Total | 28,908,795 | 26,784,965 | 17,947,371 | 14,749,378 | 3,197,993 | 6,520,559 | 1,969,343 | 347,692 | 2,123,830 |

Note: Source from Economic planning unit Malaysia (2010)

A research conducted by Martin and Turley (2004), found that Generation Y adult in US is strongly motivated by objective. This generation highlight on the value of product purchased and as for managing their financial and investment requirements, Generation Y may turn out to be the financially savviest generation, where they are knowledgeable about investments and eager to strike out on their own with start-up businesses.

However, the study done by Der Hovanesian (1999) claimed that the Generation Y are conscious of money, but do not have the knowledge about it. It is also known that this generation tends to spend their cash as soon as they get it, and its usually on consumer goods, while some Generation Y is precocious in getting involved in investing and small business, as they think success is not only possible, but inevitable.

The investment habit of Generation Y will also be looked into. According to the Investment Company Institute (ICI), based on data as of 2010 (as cited in John Ameriks & Utkus 2011) younger generations of investors are now less likely to own any equities than in the past. For investors born in the 1950s, ownership of stocks rose rapidly from ages 35 to 45. For investors born in the 1960s, ownership of stocks grew quite rapidly even earlier: between ages 25 and 35. But for investors born in the 1970s, stock ownership rose quickly from ages 25 to 27, and slumped thereafter. These data are also partially reflected in a 2010 ICI survey of investor risk tolerance Younger Generation Y investors were less likely to take “above average risk” and more likely to take “average” risk than Generation X investors.

1.2 Problem Statement

Generation Y has attracted the attention of various research groups in different disciplines. This group has become the target of research in similar form, mainly due to this group of the population comprises of a large demographic segment of consumers with high spending power. Although there is a growing literature associated with the consumption habits of Generation Y consumers, in which most of the studies are focusing on the sales and marketing of products and services particularly in capturing the demand of this powerful consumer group, most of the studies are done in developed countries such as USA, Canada, Australia and EU and whether the same spending and saving behaviors can be applied in the Malaysian context, further study on this area need to be carried out to verify this statement. The reason is consumer purchasing behavior might be influenced by some other factors such as gender, educational level; level of income of the individual and quality of environment the individual is living in and others.

In Malaysia, there is little investigation on Gen Y consumption and spending behaviours which directly affect their saving and investment decision. Besides that research data that focus on Malaysians' data is important as the economic condition, educational system and level of environmental consciousness among Malaysian is indeed different from those in other countries. Moreover most of the study that has been done primarily focused on Generation Y decision-making styles, how businesses market and brand to this group, and how to manage generation y in the workplace.

Therefore, the main purpose of this study is to get to know more about Malaysian Generation Y and to fill the knowledge gap on their spending, saving and investment behaviours.

1.3 Research Questions

In order to attain the above-mentioned purposes of this study, the following research questions will be answer:

- Question 1:** What are the preferred channels of communication of Malaysian Generation Y? Do they prefer to obtain information on saving and investment through Bank or through online resources?
- Question 2:** Are Malaysian Generation Y saving habits is influence by information that they received from the media?
- Question 3:** Do female Malaysian Generation Y spend more than male generation Y?
- Question 4:** Do Malaysian Generation Y usually spent out of their budget?
- Question 5:** What is the average saving and spending rate of Malaysian Generation Y? Does Malaysian Generation Y save less than the national saving rate?
- Question 6:** What are the preferred methods of saving by Malaysian Generation? Y
- Question 7:** Have Malaysian Generation Y started saving for their retirement?
- Question 8:** What are the preferred methods of investment of Malaysian Generation Y?
- Question 9:** Do Malaysian Generation Y have a diversify investment portfolio?
- Question 10:** Do Malaysian Generation Y invest their money in risky market?

1.4 Research Objectives

1.4.1 General Objective

The objective for this research is to explore the demographic of Malaysia's Generation Y, specifically in investigating their consumption and spending behaviour as well on their saving and investment habits.

1.4.2 Specific Objective

This study attempts to accomplish six main objectives as follows:

1. To determine the consumption and spending patterns of Generation Y.
2. To determine the level of saving and the forms of saving performed by Generation Y.
3. To study the method of investments (if any, such as equities, real estate, unit trusts and others) practiced by Generation Y.
4. To assess the awareness of risk management in investment of Generation Y.
5. To determine the effective channels of communication with Generation Y.
6. To make recommendation for appropriate selling/marketing channel of investment linked products target Generation Y, based on the preferred channel selected from the survey.

1. 5 Limitation of Study

This study focuses on Malaysian Generation Y age 19 -32 years old and which are currently working and just entered the workforce. The data collected are dependent on the sincerity of their spending, saving and investment habit of the participation of respondents. Thus getting their assistance to respond to the questionnaires sincerity is one of the obstacles.

Another limitation of this study is geographically this study is concentrated to Malaysian Gen Y in major city, beside that data was only able to be collected on Generation Y respondent in peninsular Malaysia due to time constrain. Another limitation of this study is there little research done by others on the saving spending and investment habit of Malaysian Generation Y therefore it was litter resources to compare with.

1. 6 Significance of the Study

This study will be beneficial to businesses in terms that Generation Y will be a lucrative and profitable target segment for Malaysian marketers as they have an enormous drive to spend and have the financial ability to satisfy their wants and desires. The analysis results shall be of great interests of policy makers such as government and businesses in providing appropriate products and services in line with their consumption, spending, and investment behaviours.

Specifically, it is hoped that the present study contributes to the following areas:

1. To provide insight on the spending, saving and investments patterns in reaching and matching the conception and investment need of Malaysian Generation Y
2. To assist businesses to better understanding the effective channels to communicate with generation Y.

-
3. To assist better understanding of saving, investments and risk profile of Generation Y to as to cultivate saving and investing culture as well as to increase financial literacy of the nation.

1.7 Organisation of Study

This research project has been organised into five chapters.

Chapter 1 - Introduction: The first chapter is the overview and introductory of the research study. Here the research problem, research questions and objective of the research are reported. The limitation and signification of this research study are also reported in this chapter.

Chapter 2 - Literature Review: The second chapter is literature review it will report on the pass reviews and previous studies regarding this topic. The hypotheses will also be reported.

Chapter 3 - Research Methodology: The third chapter explains on the methodology and tools of analysis used for this study, where it will discuss on the targeted population, sample and sampling approach, survey instrument and pilot test and data collection methods.

Chapter 4 - Research Findings: The chapter will report on data that have been collected from your survey. From the data analysis the research result will be reported in this chapter.

Chapter 5 - Discussion and conclusion: This chapter the will discuss on the research results, where recommendations, implication weaknesses of the research study will be identify. The conclusion for this study will be summarised based on the result from this study.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter provides a review of literature on Generation Y characteristic, it's spending and saving behaviour, investment habits and channels of communication. This chapter will also present the project hypotheses.

2.2 Generation Y

2.2.1 Who is Generation Y?

Generation Y has been referred as “Millennial”, “Internet (or dot.com) Generation”, “Nexters” and “Echo Boomers.” In the Advertising Age a marketing magazine (as sited in Constantine, 2010) it had coined the term “Generation Y” in the early 1990s, as a way to differentiate the group from Generation X. As for the classification on who makes up as Generation Y it varies from different study. Martin and Turley (2004) define Generation Y as individuals born between 1980 and 1994, with the older segment of this group born between the years of 1980 and 1986. Whereas Bloch, Ridgway and Dawson's (as cited by Hughes & Black) define the term Generation Y as the unit of Americans born roughly between 1980 and 1995.

However the definition used by Javelin Strategy & Research (2011) is by overlapping 20 years periods that is baby boomers (1945-1965), Gen X (1961-1981) and Gen Y (1979-1999). This explanation put Generation Y between the age of 12 and 32 in the year 2011.

In Malaysia, people in the age group between 15 and 29 years old has grown from 5.6 million in 1999 to 6.9 million in 2009, it is also equivalent to 26.9% of Malaysia's population (US Census Bureau, 2009). In PricewaterhouseCoopers (2010) report, this group makes up approximately 62% of the Malaysia workforce in 2009. By understanding Malaysian Generation Y habit, we can see a rough pictures of theirs saving, spending as they will have more income joining the workforce.

2.2.2 Characteristics for Generation Y

This generation of this group grew up in an environment of fast paced change. There were full employment, dual income household with increasing employment for women and increasing awareness and respect for cultural diversity. They were also born into an era of electronic, technological and wireless society where global boundaries have been blurred (Williams and Page, 2010) According to Martin (2005), the Generation Y cohort is technology savvy, independent, self-reliant and entrepreneurial thinkers. Generation Y has also been described as well-educated, confident, passionate, upbeat, and socially conscious with high integrity (Geyzel, 2009).

Halstead (2006) in her research has identified three characteristics unique to this and with these three characteristics it may be the factor that influence of Generation Y saving consumption patterns. The characteristics are:

- (1) Greater racial and ethnic diversity;
- (2) more personal independence than prior generations due to the Internet and the rise in divorce; and
- (3) greater optimism than Generation X about money and job security

Meanwhile a study by Syrett and Lammiman (as sited by Toh, Lim & Cheng, 2011) has defined five different characteristics of Generation Y.

Following are the five characteristics:

- (1) Intimacy – the ability to establish and sustain close relationships over the internet.
- (2) Loyalty – to their own closely-guarded personal networks and, less consistently or reliably, to brands and employers.
- (3) Awareness – of social issues inside and outside work, of the need for transparency and honesty and awareness of hypocrisy in brand management or human resource strategies.
- (4) Balance – in the interface between work and personal life, millenials are also willing to embrace in a 24/7lifestyles; and
- (5) Risk – in their openness to frequent change and their willingness to be open, that is to be flexible and mobile.

In Harris Interactive Group’s research (as cited in Featherstone, 2007) found that Generation Y consumer are more optimistic economical than previous generation as they have grown up in prosperous time, they are not easily swayed by advertisements and creative marketing schemes, they are comfortable receiving fragmented media messages from multiple avenue and lastly this group is sophisticated with high brand awareness.

2.3 Consumption and Spending of Generation Y

In a study conducted by Visa USA Inc., (2007) it stated that by 2015 the Gen Y will account for approximately USD2.45 trillion in annual spending. Moreover Generation Y consumers are very likely to spend their cash as quickly as they acquire it, usually on consumer goods and personal services (Der Hovanesian, 1999).

As consumers, Generation Y are independent, non-traditional and sophisticated, brand and fashion conscious, but not necessarily brand loyal (Daniels, 2007).

These consumers also have a wide-reaching social network that influences their buying decisions. Such vast networks are basically changing the way in which Generation Y shop. Waters's study (as cited in Daniels, 2007) stated that word-of-mouth influence no longer comes at a party or family gathering, but from an extensive band of members of their online network.

In a research done by Kovach (cited by Williams and Page, 2011) reports that Generation Y spends about \$200 billion per year of their own and their parents' money and influence \$300 billion to \$400 billion in expenditures, which is about 21 % of total US annual spending.

Martin & Turley 2004 has reported that Generation Y consumers attending college have purchasing power of \$105 billion, and earn nearly \$6,000 annually. In the United States alone, over 15 million older Generation Y students are currently attending college, with 8 million of these students being classified as full-time. Additionally, the average college student spends nearly \$300 per month on personal or discretionary items, with the greatest amount of this spending being used for food, personal care, and music purchases.

In the study done by Alch (2000) he had pointed out that Generation Y consumers spend most of their discretionary income on three product categories: (1) apparel 34% (2) entertainment 22%; and (3) food 16%. Apparel plays an important role in how these individuals spend their money, in part because hanging out at the mall is an important part of socializing with friends for this generation. In Alch (2000) study as well also identified several consumption characteristics for this generation. Generation Y are: (1) Internet-connected in order to seek information about products; (2) savvy about media and advertisements; (3) willing to incur debt to make purchases; (4) brand conscious; and (5) materialistic. However a study conducted by Milner (as cited by Halstead & Marie, 2006) indicate that some of these characteristics have been further researched such as the importance of the Internet and credit card usage, but the results lack depth and detail

Little research can be found in the academic literature about Malaysian Generation Y consumer behaviour. Hence, Generation Y will be a lucrative and profitable target segment for Malaysian marketers as they have an enormous drive to spend and have the financial ability to satisfy their wants and desires.

2.4 Saving and Investment Behaviour

2.4.1 Saving behaviours and motivation to save

According to social learning theory, spending behaviour can be seen as learned behaviour often transmitted by parents and other influential individuals. It is, therefore, mainly passed from generation to generation Carrier and Maurice, (1998). Lunt and Livingstone (as cited in Booth, Grimmond and Stroombergen, 2000) indicated that saving has important cultural meanings, so that understanding socio-economic practices, moral judgements and the everyday understandings and attributions of the people involved is essential in understanding how people calculate benefits from consumption or saving decisions.

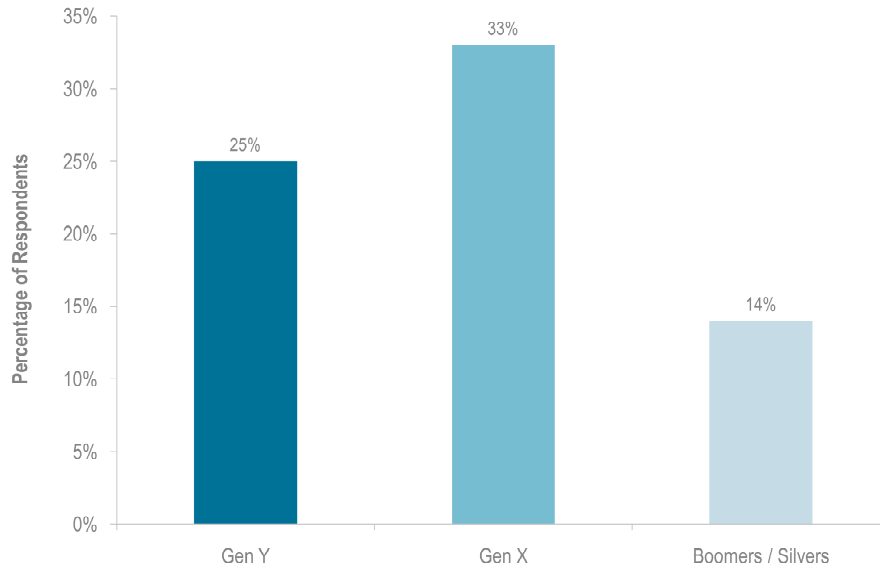
According to Booth, Grimmond and Stroombergen (2000) saving behaviour are origin as follows

- (1) The influence of childhood learning: skills learned or not learned in childhood can affect people's saving behaviour when they get older. Psychologists have found that it is hard to change behaviour that has been learned in childhood.
- (2) Self-control: some researchers claim that certain people fundamentally lack self-control and so cannot use savings or credit facilities responsibly. Instead, they spend whatever funds are available.

A survey conducted by REST Industry Super (2011) on Australian youth saving, their results shows that Generation Y develop a good saving habit but these saving tend to be focused on short-terms goals. Meanwhile the Cisco Survey conducted on 1,055 US consumer interaction preference (as sited by Philip, Macaulay & Ericsson 2010) to commit (money or capital) in order to gain a financial return Generation X and, to a smaller degree, Generation Y are also more concerned than

other consumer demographic groups regarding adequate saving levels to meet long-term goals (Figure 1)

Figure 1: Saving Level Not saving enough for long-term goals



Note: Source: Cisco IBSG, October 2009

The analysis of savings behaviour has become one of the most important researches in order to help policy makers identify factors associated with savings. With the rising of inflation and the rising cost of food it has become a great concern for marketers to determine the current spending behaviour of consumers. Consumers are changing their buying behaviour and greatly decreasing their overall spending (Creamer, 2008). As stated by Crutsinger (cited by Lodes, 2010) consumers are also saving more than ever before. Over all, self-control has been one of the most widely studied psychological determinants of saving behavior. A research by Warneryd (1989) claims that self-control underlies most theories of saving and that saving results from the ability to resist the temptation to spend.

In Asia Insurance Review (Vol II Issue 18), it cited a survey done by HSBC. This survey reveals that respondents from Hong Kong save 36% of their income, compared to 45% in China, 41% in South Korea, 39% in Taiwan, 35% in India, 34% in Singapore and 28% in Malaysia. According to a news article in the Star newspaper by Leong (2010) his report stated that Malaysians are not saving

enough and they are not prepared to face a financial meltdown should they lose their job or be retrenched. In this reports only two in five (39%) Malaysians actually save and less than one-in-three (28%) make and stick to a monthly budget. While a majority of Malaysians saved up to 20% of their monthly income excluding the 11% in the Employees' Provident Fund and 12% said they do not save anything at all. In Leong's report as well he has indicated that, one-in-five indicated their savings would last for only four weeks, and on average Malaysians reported having 11 weeks of savings in reserve.

There is not much research done on the saving patterns and habits of Malaysian Generation Y. In this research study we will examine whether Malaysian Generation Y saving is similar to the national saving rate. This research project will study also study whether there is any difference on saving habits for Malaysia Generation Y compare to the above review of saving habit by Generation Y.

2.4.2 Investment Behaviour

The definition of Investment as coined by Investopedia dictionary is an asset or item that is purchased with the hope that it will generate income or appreciate in the future. In terms of an economic sense it's stated that an investment is the purchase of goods that are not consumed today but are used in the future to create wealth. Meanwhile in finance terms it stated that an investment is a monetary asset purchased with the idea that the asset will provide income in the future or appreciate and be sold at a higher price. (Investopedia).

Investment differs from savings in a way that in savings, you will generally get back your savings, plus some interest. However, in an investment, you may or may not get back the sum invested or you may get much more than the initial amount invested. The potentially higher return is to compensate you for the higher risks undertaken by you.

In the MFS Investment Management reports, 2011 which they have conducted a survey which focused on USA's Generation Y investors (age 18-30). Their finding found that younger investors are anxious about their investments, and as a result they are investing conservatively.

Their report also identified that:

- (1) 40 % of Gen Y agreed with the statement "I will never feel comfortable investing in the stock market."
- (2) Gen Y investors agreed that they are likely to feel overwhelmed by all the choices they have (54 %), put off investment decisions (47 %), and consider themselves to be savers more than investors (59 %).
- (3) 30 % of Gen Y said that their primary investment objective was protecting principal/not losing money, only marginally smaller than those who said their primary goal was growing assets (34 %).
- (4) Gen Y has allocated more money to cash than other age groups, at 30 % on average nearly as much as they have allocated to U.S. stocks/stock funds (33 %).

In an online article which study US Generation Y (Generation Y-ers: Fearful of Wall Street and Not Saving for Retirement) it report that a majority of Generation Y may not have enough of a financial education or the motivation and confidence to understand how to invest for their own retirement. The report further stated that this generation has spent half of their lives in between the dot com crash and real estate crash and are very wary of Wall Street. The report has gone on to state that US generation Y have lack financial literacy or do not know the direction needed to survive through today's volatile market and unique economic environment.

In Forbes reports (as cited by Risi in her article Gen Y: plenty of time to invest, but little appetite for risk), it stated that 40% of Generation Y investors agree with the statement "I will never feel comfortable investing in the stock market." The report also states that the average Generation Y investor holds 30% of their assets in cash, while their position on the equity markets may eventually soften and this

show a strong indication of the understandable risk aversion that now plagues many Generation Y investors.

These data are also partially reflected in a 2010 ICI survey of investor risk tolerance Younger Generation Y investors were less likely to take “above average risk” and more likely to take “average” risk than Generation X investors.

A research conducted by Helman and Sutton (as reported by Wang, 2011) reveals that fewer people have been investing in wealth management and an increased percentage of people have virtually no investments and saving for retirement. It further stated that people may attribute the decline in their wealth to job losses, housing bubble burst, and stock market meltdown, but this research suggests that the economy may not be entirely to blame.

The earlier an individual start to invest their money, the easier it is to reach their financial goals. An individual who starts investing when young is more likely to develop investing habits and is more likely to invest consistently (Hilgert, Hogarth, 2003)

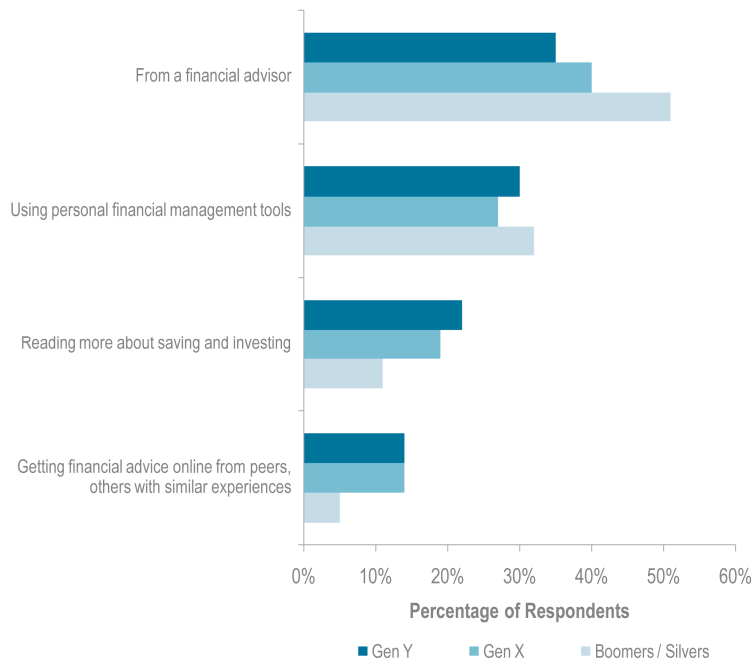
Therefore in this project we will find out whether Malaysian Generation Y has started investing, and whether there have a diversify portfolio and also to identify Malaysian Generation Y risk appetite.

2. 5 Communication Channels

In a research conducted by Junco and Mastrodicasa as cited in (Wierzycka, 2009) among 7500 Generation Y revealed that a typical profile of this group comprises of the fact that 40% obtain their information via television, 94% do own a cell phone and they use text messaging; 28% have a blog and 44% of them read other people blocks; 34% obtain instant information via websites, 49% download music using peer to peer file sharing and 16% download software.

From the Cisco Survey conducted on 1,055 US consumer interaction preference (as cited by Philip, Macaulay & Ericsson 2010), it shows that all three generations, Baby Boomer, Generation X and Generation Y selected professional financial advisors as their preferred source of assistance for financial decisions. Both Generation Y and Generation X also show budding interest in using social networking, online communities of interest and sharing of experiences and information with other customers (see Figure 2).

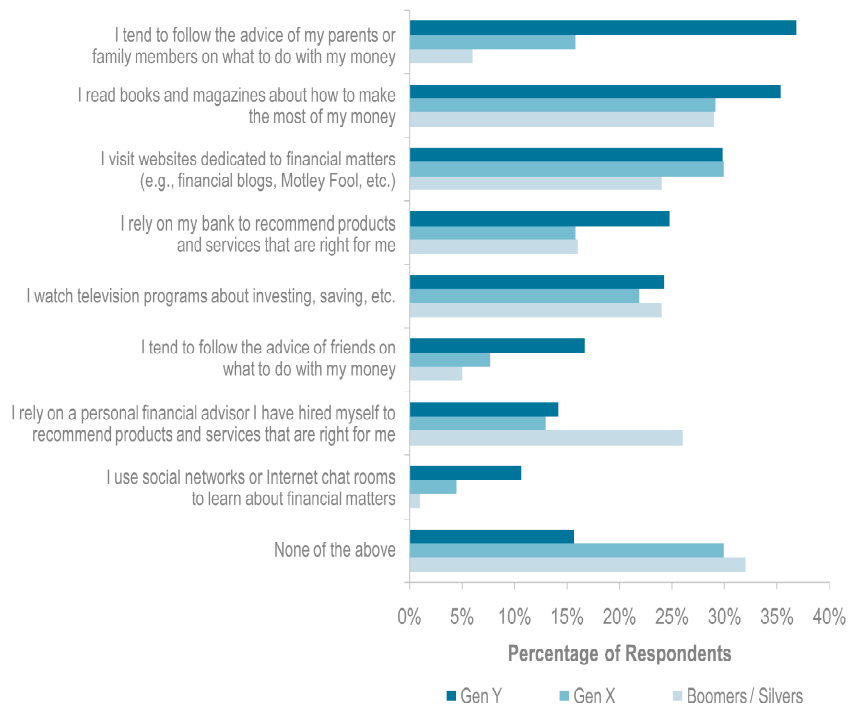
Figure 2: Preferred Methods of Receiving Financial Advice



Note: Source: Cisco IBSG, October 2009

According to the Cisco Survey as well (as cited by Philip, Macaulay & Ericsson 2010) consumer generations differ in where they turn for financial information (refer Figure 3). US Generation Y is more likely to depend upon a bank rather than an independent advisor, broker, or other source. This underscores the potential for banks to deepen their relationships and provide targeted advice to Generation Y consumers. It is also known that Generation Y makes significantly more frequent use of both family and friend networks for financial advice and consults social networking and other online sites more often than older consumers, this underlining the potential of peer supported online communities.

Figure 3: Where Consumers turn for Financial Information



Note: Source: Cisco IBSG, October 2009

Garman & Forgue state (as cited by Delafrooz & Laily, 2011) that financial literacy is main cause of personal financial problems. Financial literacy is defined as sufficient knowledge of personal finance facts and terms for successful personal financial management. Lack of information and low financial literacy will lead for financial mistakes. With low financial literacy and lack of information affect the ability to save and to secure a comfortable retirement, however with financial literacy it will boost the ability of one's day to day financial problem and will reduce the negative consequences of poor financial decisions that might take years to overcome (Delafrooz & Laily, 2011).

This study will also examine to see whether there is similarity to Malaysian Generation Y in how they seek for financial advice, and what their preferred communication channels with banks are. We will also see whether Malaysian Generation Y have adequate financial literacy.

2.6 Hypotheses

A hypothesis is a statement about the predicted relationships among events or variables.

2.6.1 Hypotheses on saving

The following hypotheses are generated in relationship to social influence and saving behaviour:

H1a: There is a significant relationship between been educated on the important of saving and saving.

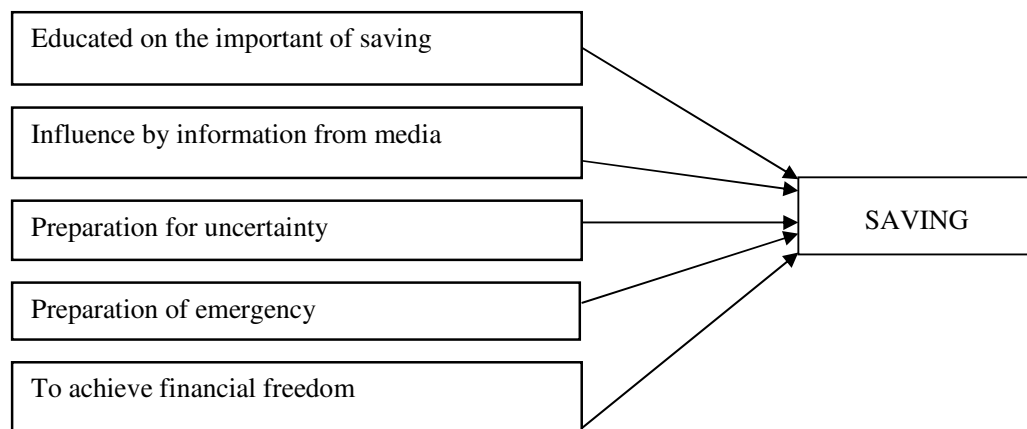
H1b: There is a significant relationship between once influence by information about saving from media and saving.

H1c: There is a significant relationship between preparation for uncertainty and saving.

H1d: There is a significant relationship between preparation of emergency and influence by information about saving from media

H1e: There is a significant relationship between to achieve saving financial freedom and saving

Figure 4: Social influence and Saving Behaviour



2.6.2 Hypotheses on Spending

The following hypotheses are generated in relationship to self-control and spending behaviour:

H2a: There is a significant relationship between been budgeting and spending.

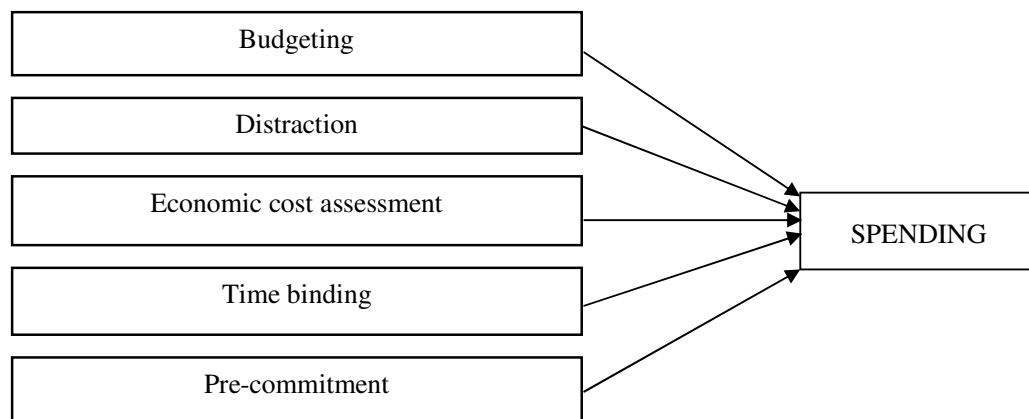
H2b: There is a significant relationship between and distraction and spending.

H2c: There is a significant relationship between economic cost assessment and spending.

H2d: There is a significant relationship between time binding and spending

H2e: There is a significant relationship between pre-commitment and spending.

Figure 5: Self-control and Spending Behaviour



2.6 3 Hypotheses on Investing in high risk financial Products

2.6.3.1 Relationship between Gender and preferences in investing in high risk financial Products

H3A₀: Gender and preferences of investing in Futures Markets are independent.

H3A₁: Gender and preferences of investing in Futures Markets are dependent

H3B₀: Gender and preferences of investing in Forex Markets are independent.

H3B₁: Gender and preferences of investing in Forex Markets are dependent

H3C₀: Gender and preferences of investing in Commodity Markets are independent.

H3C₁: Gender and preferences of investing in Commodity Markets are dependent

2.6.3.2 Relationship between Race and preferences in investing in high risk financial Products

H4A₀: Race and preferences of investing in Futures Markets are independent.

H4A₁: Race and preferences of investing in Futures Markets are dependent

H4B₀: Race and preferences of investing in Forex Markets are independent.

H4B₁: Race and preferences of investing in Forex Markets are dependent

H4C₀: Race and preferences of investing in Commodity Markets are independent.

H4C₁: Race and preferences of investing in Commodity Markets are dependent

2.6.3.3 Relationship between Marital Status and preferences in investing in high risk financial Products

H5A₀: Marital Status and preferences of investing in Futures Markets are independent.

H5A₁: Marital Status and preferences of investing in Futures Markets are dependent.

H5B₀: Marital Status and preferences of investing in Forex Markets are independent.

H5B₁: Marital Status and preferences of investing in Forex Markets are dependent.

H5C₀: Marital Status and preferences of investing in Commodity Markets are independent.

H5C₁: Marital Status and preferences of investing in Commodity Markets are dependent.

2.6.3.4 Relationship between Marital Status and preferences in investing in high risk financial Products

H6A₀: Income and preferences of investing in Futures Markets are independent.

H6A₁: Income and preferences of investing in Futures Markets are dependent.

H6B₀: Income and preferences of investing in Forex Markets are independent.

H6B₁: Income and preferences of investing in Forex Markets are dependent.

H6C₀: Income and preferences of investing in Commodity Markets are independent.

H6C₁: Income and preferences of investing in Commodity Markets are dependent.

2.6.4 Hypotheses on Investing in high risk financial Products

H7₀: Gender and risk appetite of Generation Y are Independent.

H7₁: Gender and risk appetite of Generation Y are dependent.

H8₀: Marital status and risk appetite of Generation Y is Independent.

H8₁: Marital status and risk appetite of Generation Y is dependent.

H9₀: Income and risk appetite of Generation Y are Independent.

H9₁: Income and risk appetite of Generation Y are dependent.

H10₀: Race and risk appetite of Generation Y are Independent.

H10₁: Race and risk appetite of Generation Y are dependent.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Introduction

This chapter will be on the methodology that has been used in this research study. It will discuss the research methods that will be adopted to meet the objective of this research. This chapter will cover the population and sample used questionnaire design, pilot test, reliability and descriptive analysis and data analysis procedure.

3.2 Population/ Research Sample

3.2.1 Primary Data Collection

One of the most important parts of the survey process is to determine the sample. There are various methods of selecting the sample and they are categorized as probability and non-probability (Sekaran, 2003) for this research study the targeted population will be working Malaysian Generation Y age between 19- 32 years old.

Convenience Random sampling was used in this study. Convenience random sampling is one of the main types of non-probability sampling methods. A convenience random sample is made up of people who are easy to reach. According to Changing Minds (2009), convenience random sampling generally assumes a homogeneous population that one person is pretty much like another.

A convenience sample that was chosen at the convenience of the study was randomly selecting respondents that are currently working in the city for each state in peninsular Malaysia that fit in the Generation Y group. The questionnaire was distributed in printed copy and through an online survey as well. Details will be explained under questionnaire distribution section.

3.2.2 Secondary Data Collection

Data for literature review and problem statement were mostly gathered from secondary data. It comprised journals, an online business magazine, online newspapers and archive materials. Data from the Department of Statistics and the Economic Planning unit that is the 2010 population census were used to determine how many respondents that is needed to answer the questionnaire in order to get results that reflect the target population as precisely as needed.

As there are approximately 6.2 million of the total Malaysian population under the Generation Y group, around 500-600 sets of questionnaires will be distributed to reflect the target population.

3.3 Questionnaire Design

The reason for using a questionnaire is that the opinions of the respondent can be in a structural manner. As there was no specific questionnaire available for this study or previously done by other researchers, a questionnaire had to be designed that could be used for the purpose of the study. The questions were formulated and selected carefully following the objectives of the study.

According to Sekaran (2003) a questionnaire is a written set of questions to which respondents record their answer. For this research study a set of questionnaire has been designed according to the need of this study. The entire questionnaire was closed ended question where the respondents have to select for a pre-assigned answer, except for the section where they need to state their percentage of monthly income saved and spent. The questionnaire was designed using English language and a translational into Bahasa Malaysia was included as well.

The questionnaire was divided into five (5) sections. The first section concerned the characteristics of the respondents where the demographic profile such as age, gender, race, marital status, current working passion, annual Income are capture. The second sections of the questionnaire are on the information sources / method of communication channel preferred. Here we would as what preferred information sources are in obtain information on saving and investment.

Then third section is on the saving and spending patterns, monthly income spent and save will be asked, beside that purposed of saving and method of saving as well as if they have ever spent out of budget and do they allocated money for emergency will be asked. As for the question on motivation to save and steps to ensure saving is done this question was done using a 5 point Likert-type scales (1 =Strongly disagree to 5=Strongly agreed).

A Likert scale is a psychometric scale commonly used in questionnaires, and is the most widely used scale in survey research (Wikipedia, 2011). Respondents specify their level of agreement to a statement when responding to a Likert questionnaire item. Likert scale is a direct measure of attitudes developed by Rensis Likert (Keegan, 2009)

Section four is on Investment Techniques. This portion asked the respondents to which, if any investment techniques/methods they had done before. The last section of the questionnaire will be on the risk profile, where the respondents are ask on their risk appetite in investing and have they every invested in risky market. The full questionnaire set is attached in Appendix A.

3.4 Questionnaire Distribution

Two methods of distribution were used for the questionnaire, which is by personally administer questioner and electronic questionnaire that is through an online survey. For purposes of our survey, we have eliminated Generation Y which is 18-year-olds or who is still in high school or college/university.

The main disadvantage of using questionnaires is that the targeted group will not return the questionnaires, to eliminate this problem the questionnaires were distributed and the researcher and assistants were present all the time to answer and query arise from the respondent related to the questionnaires as well to personally collect back the questionnaires at the same time, the respondents were given a token for the complete questionnaires.

As for the online questionnaires the link to the questionnaires was sent via email and through Facebook of the researchers' network list. The advantages of this method of collection include speed and cost-effectiveness, visual appeal, interactivity and respondent participation (Zikmund & Babin, 2007). A total of 592 sets of questionnaires have been collected both paper questionnaires and online questionnaires.

3.5 Pilot Test

A pilot test was conducted to ensure the validity and reliability of the questionnaire. According to Sekaran (2001) a good measurement tool should not only be easy and efficient to use, but more importantly it should be an accurate indicator of what was purported to measure. A questionnaire is considered reliable if its repeated applications result in consistent scores. Therefore in order to determine the reliability of the questionnaire of this study and in order to achieve the study objectives, the questionnaire was distributed randomly to the targeted population and a total of 20 respondent samples were obtained. Upon the completion of the pilot test errors found in the questionnaires were identified and rectified. The questionnaire was improved before the actual survey was carried out.

3.5.1 Reliability Analysis

Reliability analysis is used to identify the variable which is reliable to make correlation analysis. In order to interpret the Cronbach's alpha correctly, researchers have referred to Nunnally's rule of thumb. According to Nunnally (1997), a result gain must be greater than 0.6 is acceptable, while results gain at 0.7 and

above are assumed satisfactory or good. Cronbach's alpha can be written as a function of the number of test items and the average inter-correlation among the items. Below, for conceptual purposes, we show the formula for the standardized Cronbach's alpha:

$$\alpha = \frac{N \cdot \hat{c}}{V + (N - 1) \cdot \hat{c}}$$

Here N is equal to the number of items, c-bar is the average inter-item covariance among the items and v-bar equals the average variance.

In the pilot test, reliability testing was carried out using Cronbach's Alpha. Table 2 shows the Cronbach's Alpha value for the variables tested. It is found that 0.846 which can be considered acceptable.

Table 2: Reliability Statistics

| Reliability Statistics | | |
|------------------------|--|------------|
| Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | N of Items |
| 0.846 | 0.865 | 11 |

3.6 Descriptive Analysis

Frequency distribution is one of the most common ways to summarise a set of data (Zikmund and Babin, 2007). A Frequency distribution analysis is a mathematical distribution where the objective is to obtain a count of the number of respondents associated with different values of one variable to express these counts in percentage terms (Malhotra, 2007).

The major purpose of using descriptive research is to describe characteristics of objects, people, groups, organisations or environments. (Zikmund and Babin, 2007) Data collected through descriptive research can provide valuable insights about the study units along relevant characteristics. In this research study

distribution were obtain for all the personal data which included demographic profile such as gender, age, race, marital status, highest education obtain and income.

3.7 Inferential Analysis

Inferential Analysis defined by the businessdictionary.com as a mathematical methods that employ probability theory for deducing (inferring) the properties of a population from the analysis of the properties of a data sample drawn from it. It is concerned also with the precision and reliability of the inferences it helps to draw. Therefore descriptive statistics are used to reveal patterns through the analysis of numeric data. Inferential statistics are used to draw conclusions and make predictions based on the analysis of numeric data.

For this study we will be using inferential analysis to make judgments of the targeted group and to observed and compare variable as well to test its significant relationship to draw generalisation. With this these tests of significance it will tell us the probability that the results of the analysis could have occurred by chance when there is no relationship at all between the variables we studied in the targeted population. A Chi-square, one sample t-test and multiple regression will be used in this study.

3.7.1 Cross-tabulation and Chi-square

A Cross-tabulation analysis was also done with the purposed of comparing two or more variable. The Pearson chi-square test is used to test whether a statistically significant relationship exists between two categorical variables for this research it will be gender, marital status, and race and income level. The chi-square goodness of fit test uses frequency data from the sample to test the hypotheses (Carver & Nash, 2009). Therefor the result derived from the chi-square analysis will proved an appropriate basis either to reject the null hypothesis and acceptance of the alternative hypothesis or to retain the null hypothesis and reject the alternative hypothesis.

3.7.2 Multiple Regressions

Multiple Regressions is a statistical technique used to evaluate and establish a quantitative relationships between multiple dependent and independent variables. The term Multiple Regressions was first used by Pearson in 1908. For this research there will be to multiple regression analysis done, first on saving and next on spending.

The multiple regression equation to if formed saving in this research is:

$$E(Y_{SV}) = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5$$

Y_{SV} = Saving

X_1 = Educated on the important of saving

X_2 = Influence by information from media

X_3 = Preparation for uncertainty

X_4 = Preparation of emergency

X_5 = Achieve financial freedom

The multiple regression equation to if formed saving in this research is:

$$E(Y_{SP}) = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5$$

Y_{SP} = Spending

X_1 = Budgeting

X_2 = Distraction

X_3 = Economic cost assessment

X_4 = Time binding

X_5 = Pre-commitment

3.8 Data Analysis Procedure

The data obtained from the questionnaire has undergone preliminary preparation before being analysed using statistical techniques. There are many software packages in the market for analysing social science studies. In this study, Statistical Package for the Social Science (SPSS 17.0) software was used. SPSS is a good statistical package for people wanting to perform quantitative research in social science because it is easy to use and because it can be a good starting point to learn more advanced statistical packages (Harvard-MIT Data Center, 2009).

Before analysing the data, there are several steps that are followed in analysing the data that was gathered. The process involves the transformation of all raw data into a form suitable for analysis and conversion into a form that is easy to understand and suitable for analysis, next is checking the completeness of the questionnaire, and the last step is the coding of all questionnaire responses into easily classified variables. The data collected from the questionnaires were initially entered into a Microsoft Excel spreadsheet to allow for easy classification of the variables as well as inspection of any missing data. After the data cleaning process, the data was imported to SPSS software to run the analysis.

CHAPTER 4

RESEARCH RESULT

4.1 Introduction

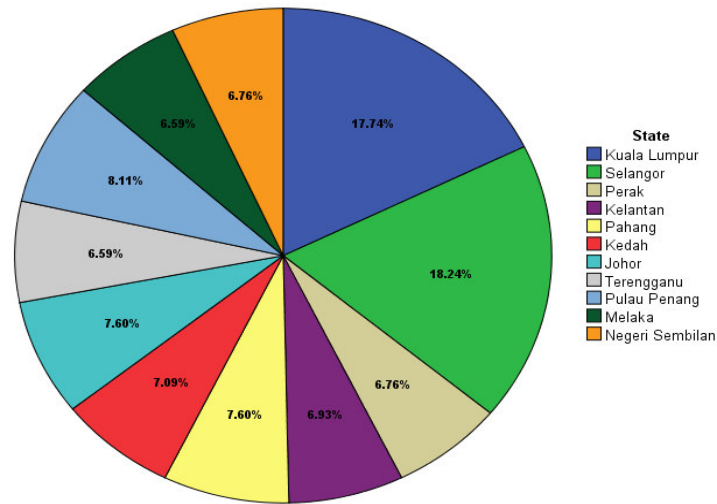
This chapter presents the results of the data analysis and reveals the finding of the study. The discussion will be structured around the objectives and hypotheses as detailed in Chapter one and two. Data were analysed by using descriptive statistics and inferential analysis.

4.2 Descriptive Statistics

4.2.1 Demographic Profile

A total of 592 sets of questionnaire has been collected both manually and online survey form responded from capital city Malaysia. Figure 6 below shows the state the respondents are currently working. The figure shows that the majority of the respondents are from Selangor 18.24% (respondents) and Kuala Lumpur 17.74% (respondents). Respondents from other major city are from Penang 8.11%, Pahang 7.60%, Johor 7.6%, Kedah 7.09 %, Kelantan 6.93%, Negeri Sembilan 6.75%, Perak 6.76%, Melaka 6.59%, and Terangganu 6.59%. There were no respondent from Perlis Sabah and Sarawak.

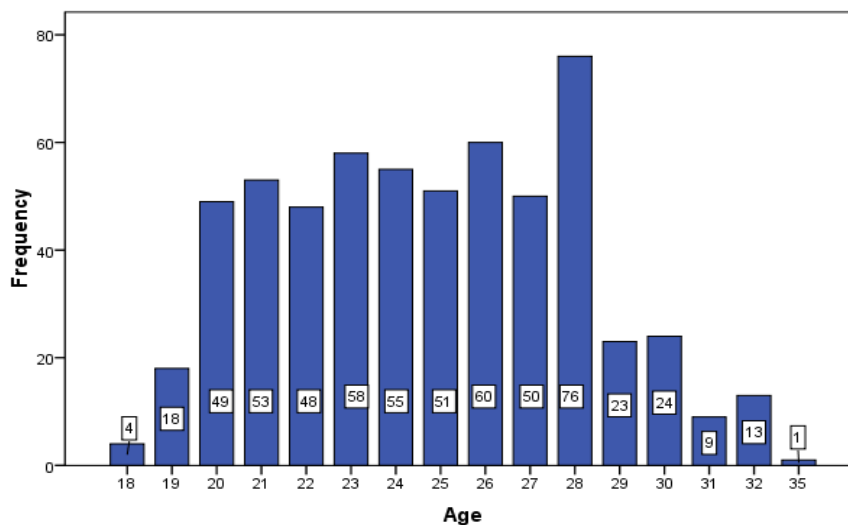
Figure 6: State respondents currently working



4.2.1.1 Age profile of respondent

Figure 7 below shows the age range of the respondents, the respondents are age 18-35 which falls under the category of Generation Y. Majority of the respondents were belonging to the age group 20 – 28 which comprise of 84%.

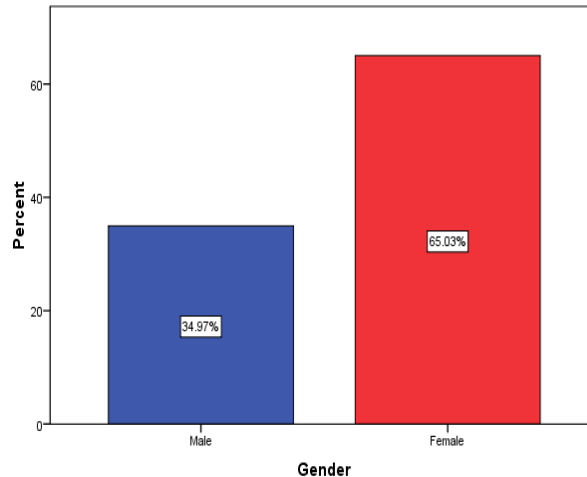
Figure 7: Age profile of respondents



4.2.1.2 Gender profile of respondents

Figure 8 below shows the gender of the respondents. The table shows are 65.03% are female (385respondents) while 34.97% (207 respondents) are male. Female is the major gender group of this study.

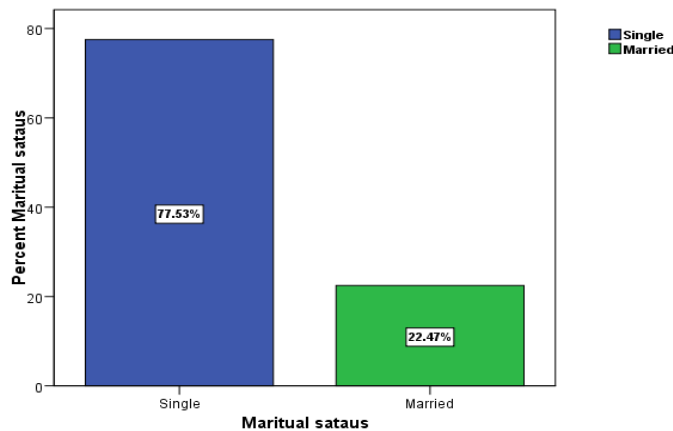
Figure 8: Gender profile of respondents



4.2.1.3 Marital Status of Respondents

Data on marital status of the respondent represents 77.53% (459 respondents) are single and 22.47% (133 respondents) are married. As shown in Figure 9 the majority of the respondents are single

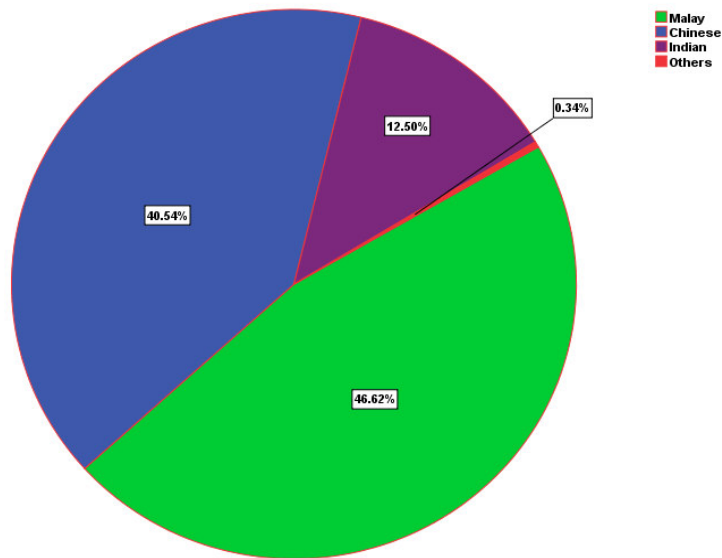
Figure 9: Marital profile of respondents



4.2.1.4 Ethinc of Respondents

Figure10 below shows the race of the respondents. The majoratiy of the responded are Malays that is 46.6% (276 respondents) , while 40.54% (240 respondents) are Chinese followed by Indians 12.50% (74 respondents) and the rest is Other with total 0.34% (2 respondents).

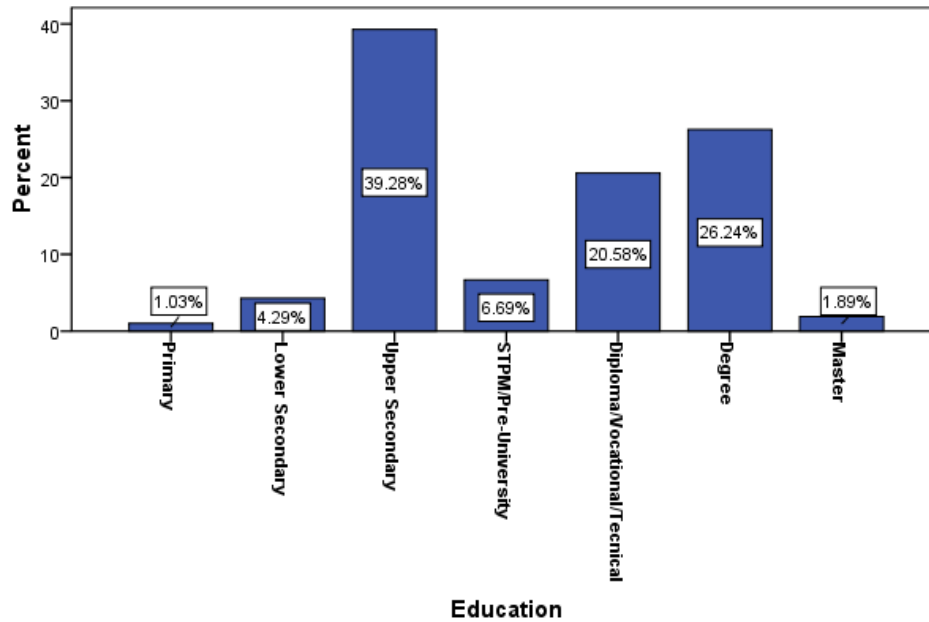
Figure 10: Race profile of respondents



4.2.1.5 Education level of Respondents

Figure 11 shows the education level of the respondents. It was found that most of the respondents highest education level is upper secondary, 39.28% followed by Degree, 26.24% diploma/vocational/technical 20.59%, STPM or Pre University 6.69%, followed by lower secondary 4.29%, Master level 1.89% and 1.03% of the respondents highest education level is primary. The result shows that a total 48.71% of Generation Y respondents have attained either diploma of degree certification.

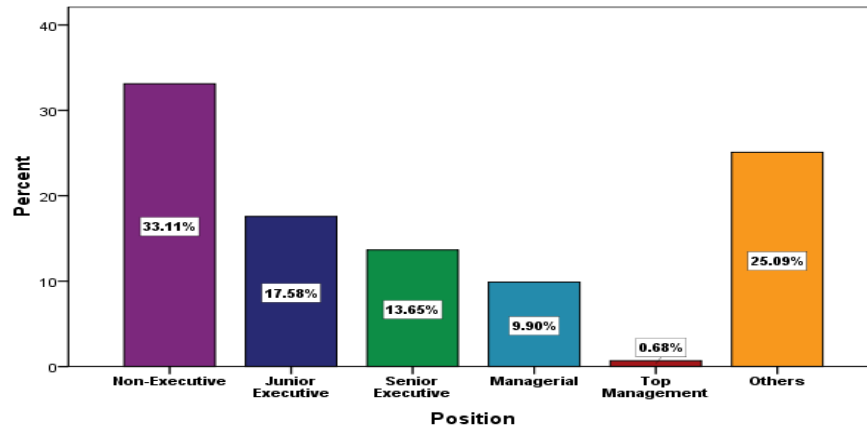
Figure 11: Level of Education of respondents



4.2.1.6 Current Working Position of Respondents

The result of respondents current working position is shown in Figure 12. The finding show that 33.11% (192 respondents) are non – executive , 17.58% (103 respondents) are Junior Executive, 13.65% (80 respondents) have Senior Executive position , 9.90% (58 respondents) have Managerial position, 0.68% (4 respondents) are in the Top Management and lastlly 25.09% (147 respondents) are under the others category (i.e working freelance, part-timers). This show that the majority of Malaysian Generation Y are in the early stage of workforce.

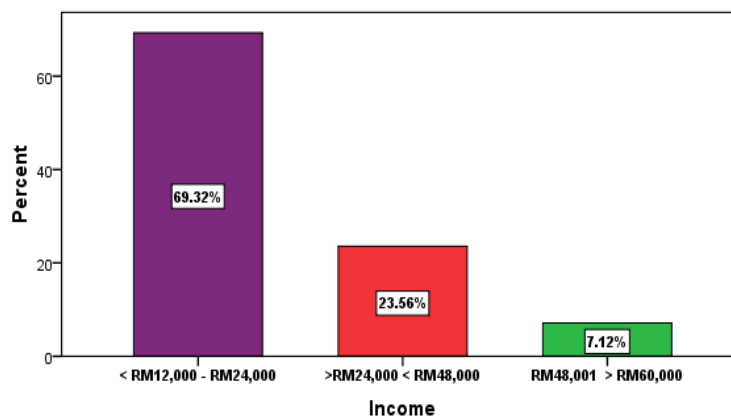
Table 12: Working Position of Respondents



4.2.1.7 Income level of respondents

To look into Malaysian Generation Y spending and saving habits we must first know the income pattern of the respondents. Data on the respondent income as shown in Figure 13 represented that majority of respondents come from income between <RM12,000 to RM 24,000 per annual income 69.32%, in term of frequency that is 409 respondents. Followed by 23.56% respondent whose annual income falls between > RM24,000 to RM 48,000. Lastly only 7.12% of the respondent whoes has annual income more RM 60,000 annually

Figure 13: Income Level



4.2.2 Information Sources

Table 3: Preferred communication channel of Malaysian Generation Y

| | | Gender | | Total |
|------------------------|-------------------------|--------|--------|--------|
| | | Male | Female | |
| Communication Channels | Relative & Friends | 121 | 186 | 307 |
| | | 39.4% | 60.6% | 52.30% |
| | Parents & Sibling | 105 | 208 | 313 |
| | | 33.5% | 66.5% | 53.32% |
| | Books & Magazine | 51 | 119 | 170 |
| | | 30.0% | 70.0% | 28.96% |
| | Newspaper | 92 | 152 | 244 |
| | | 37.7% | 62.3% | 41.57% |
| | Brochure & Catalogue | 39 | 69 | 108 |
| | | 36.1% | 63.9% | 18.39% |
| | Blog | 22 | 42 | 64 |
| | | 34.4% | 65.6% | 10.90% |
| | Websites/On-line Portal | 51 | 99 | 150 |
| | | 34.0% | 66.0% | 25.55% |
| | Facebook | 68 | 119 | 187 |
| | | 36.4% | 63.6% | 31.85% |
| | Television | 29 | 56 | 85 |
| | | 34.1% | 65.9% | 14.48% |
| | Radio | 43 | 95 | 138 |
| | | 31.2% | 68.8% | 23.50% |
| Seminar/Talks | 49 | 81 | 130 | |
| | 37.7% | 62.3% | 22.14% | |
| Total | | 206 | 381 | 587 |
| | | 35.1% | 64.9% | 100.0% |

Note: 5 missing cases as respondents did not answer this session of question. Total case = 592

The results from on Table 3 shows that most Malaysian generation Y prefers to obtain information on saving and investment by word of mouths that is from their parents & sibling 53.32% (313 respondents) while 52.36% (307 respondents) prefer to source information from relative and friends. The results also shows 31.85% (187 respondents) of the respondents prefer to obtain information from

Facebook and 25.55 % (150 respondents) prefer to source for information from websites and online portal. The least preferred way to attain information on saving and investment is through Blog 10.90% (64 respondents), Television 14.48% (85 respondents)

Table 4: Preferred Channel of Communication on Investment Schemes/Packages offered by the Banks

| | | Gender | | Total |
|------------------------|--------------|--------|--------|-------|
| | | Male | Female | |
| Communication Channels | SMS | 61 | 112 | 173 |
| | | 35.3% | 64.7% | 29.3% |
| | Emails | 89 | 173 | 262 |
| | | 34.0% | 66.0% | 44.4% |
| | Newspapers | 78 | 132 | 210 |
| | | 37.1% | 62.9% | 35.5% |
| | Television | 48 | 70 | 118 |
| | | 40.7% | 59.3% | 20% |
| | Telephone | 45 | 80 | 125 |
| | | 36.0% | 64.0% | 21.2% |
| | Sales agents | 67 | 119 | 186 |
| | | 36.0% | 64.0% | 31.5% |
| | Others | 6 | 18 | 24 |
| | | 25.0% | 75.0% | 4% |
| Total | | 202 | 377 | 579 |

Note: 2 missing cases as respondents did not answer this session of question. Total case = 592

Table 4 above show that most of the respondents prefers to received information on Investment Schemes/Packages offered by the Banks through emails 44.4 % Newspapers 35.5%, Sales Agents 31.5% and also through SMS 29.3%. This shows Generation Y the prefer communication channel is throng electronic media.

4.2.3 Spending and Saving Patterns by Malaysian Generation Y

Table 5: Monthly Income Saved and Income Spent

| | | Income Saved | Income Spent |
|----------------|---------|--------------|--------------|
| N | Valid | 510 | 508 |
| | Missing | 82 | 84 |
| Mean | | 24.63 | 60.02 |
| Median | | 20.00 | 60.00 |
| Std. Deviation | | 17.685 | 24.963 |
| Sum | | 12559 | 30488 |

Note: For Income saved 82 missing cases and 84 missing case for income spend as respondents did not answer this session of question Total case = 592

From the results shown in Table 5, it is known that respondents in general save about 24.63 % of their income monthly and about 60.02% of their monthly income are spent. This show that Malaysian Generation Y saving is close to the national saving rate that is 28%. A one sample t-test was conducted to examine whether Generation Y monthly saving is equal to the nation saving rate of 28%. Table 6 shows the result of the analysis.

$\mu = 28\%$ $\alpha = 0.05$
 H_0 : Saving rate = 28%
 H_1 : Saving rate \neq 28%

Table 6: One-Sample T Test

| One-Sample Statistics | | | | |
|-----------------------|-----|-------|----------------|-----------------|
| | N | Mean | Std. Deviation | Std. Error Mean |
| Income Save | 510 | 24.63 | 17.685 | .783 |

| One-Sample Test | | | | | | |
|-----------------|-----------------|-----|-----------------|-----------------|---|-------|
| | Test Value = 28 | | | | | |
| | t | df | Sig. (2-tailed) | Mean Difference | 95% Confidence Interval of the Difference | |
| | | | | | Lower | Upper |
| Income Save | -4.309 | 509 | .000 | -3.375 | -4.91 | -1.84 |

The mean of monthly income saved of Generation Y ($\mu = 24.63$) was significantly lower than the national saving rate ($\mu = 28$) If P is less than or equal 0.05 then H_0 is rejected. Therefore we can conclude that Malaysian Generation Y is not saving enough or as much as other generation group, as their saving rate is significantly different from the National saving rate.

4.2.3.1 Method of Saving

Table 7: Saving Method of Malaysian Generation Y

| | | Saving Account | Fixed Deposit | Shares | Unit Trust Fund | Foreign Currency | Gold | Others | Total |
|--------|--------|----------------|---------------|--------|-----------------|------------------|-------|--------|-------|
| Gender | Male | 151 | 93 | 55 | 66 | 24 | 59 | 8 | 205 |
| | | 73.7% | 45.4% | 26.8% | 32.2% | 11.7% | 28.8% | 3.9% | |
| | Female | 321 | 150 | 57 | 129 | 26 | 105 | 9 | 381 |
| | | 84.3% | 39.4% | 15.0% | 33.9% | 6.8% | 27.6% | 2.4% | |
| Total | | 472 | 243 | 112 | 195 | 50 | 164 | 17 | 586 |
| | | 37.7% | 19.4% | 8.9% | 15.6% | 4.0% | 13.1% | 1.4% | |

Note: 6 missing cases as respondents did not answer this session of question. Total case = 592

Table 7 above shows that most of the respondents preferred method of saving is by Saving Account 37.7% and Fixed Deposit 19.4%. The results also show that investments are made through Unit Trust 15.6 % and Gold 13.1%. The result also shows investment method by shared is unpopular 8.9%. Comparing by gender the result shows that male Generation Y 26.8% invested in share more than female Generation Y 15.0%.

4.2.3.2 Main purposed of saving

Table 8 shows the result of the respondent's main purpose of saving. The result shows that emergency & unforeseen circumstances was the highest that is 25.6 %, second was for futures investment 24.1 %, third was for vacation 10.9% and forth was for wedding 10.4%. While only 5.9% of Generation Y said their purposed of saving to start a business. Comparing by gender the results show that male save more in for vacation 35.3% and wedding 39.7% while female save more for

Emergency & unforeseen circumstances 77.2%. The result also show that both male and female Generation Y have stated saving for retirement 8.3 %.

Table 8: Main purposed of saving

| | For future Investments | Vacation | Down payment for house | Children's education | For my wedding | Retirement | Emergency & unforeseen circumstances | Start a business | Total |
|---------------|------------------------|----------|------------------------|----------------------|----------------|------------|--------------------------------------|------------------|-------|
| Male | 133 | 72 | 50 | 34 | 81 | 52 | 115 | 47 | 204 |
| | 65.2% | 35.3% | 24.5% | 16.7% | 39.7% | 25.5% | 56.4% | 23.0% | |
| Female | 253 | 102 | 84 | 71 | 85 | 81 | 295 | 48 | 382 |
| | 66.2% | 26.7% | 22.0% | 18.6% | 22.3% | 21.2% | 77.2% | 12.6% | |
| Total | 386 | 174 | 134 | 105 | 166 | 133 | 410 | 95 | 586 |

Note: 6 missing cases as respondents did not answer this session of question. Total case = 592

4.2.3.3 Factor that Hinder from Saving

Table 9: Reasons that hider Generation Y from Saving

| | | Responses | |
|---------------------------------------|---|-----------|------------|
| | | N | Percentage |
| Reasons that hider from Saving | Low Income /insufficient income | 331 | 40.3% |
| | Too many fixed expenditures | 292 | 35.5% |
| | Low interest rate | 72 | 8.8% |
| | Lack of knowledge on how to save | 63 | 7.7% |
| | I would rather spend and enjoy the best now, and worry about saving when I'm much older | 64 | 7.8% |

The results in table 9 show that the main reason that hinders the respondents from saving is due to low income that is 40.5%, next is due to too many fixed expenditure 35.5 %. This reason is acceptable as majority of respondents come from income of less than RM 24,000 annual, the next Table 10 below; show how the respondents spend most of their income on fixed expenditures.

4.2.3.4 Monthly Spending

Table 10 below report on the monthly spending of Generation Y. 77.8% of the repontend indicated that they need to allocated money for daily necessities this follows by transportation 64.6 %, parent pocket money 59.5%, entertainment and leisure 55.2% and 44.2% for car loan installment. From the result it also show that generation Y only allocated 18.9% of their monthly income for hosing loan installmet.

Table 10: Monthly Spending of Generation Y

| | Car Loan Instalments | Housing Loan instalment | House Rental | Education Loan or Tuition Fees | Insurance | Daily necessities | Parents Pocket Money | Monthly household expenditure | Transportation | Entertainment & Leisure | Total |
|---------------|----------------------|-------------------------|--------------|--------------------------------|-----------|-------------------|----------------------|-------------------------------|----------------|-------------------------|-------|
| Male | 108 | 53 | 40 | 61 | 102 | 153 | 107 | 96 | 153 | 126 | 204 |
| | 18.6% | 9.1% | 6.9% | 10.5% | 17.5% | 26.3% | 18.4% | 16.5% | 26.3% | 21.6% | 35.1% |
| Female | 149 | 57 | 81 | 88 | 137 | 300 | 239 | 138 | 223 | 195 | 378 |
| | 25.6% | 9.8% | 13.9% | 15.1% | 23.5% | 51.5% | 41.1% | 23.7% | 38.3% | 33.5% | 64.9% |
| Total | 257 | 110 | 121 | 149 | 239 | 453 | 346 | 234 | 376 | 321 | 582 |
| | 44.2% | 18.9% | 20.8% | 25.6% | 41.1% | 77.8% | 59.5% | 40.2% | 64.6% | 55.2% | 100% |

Note: 10 missing cases as respondents did not answer this session of question. Total case = 592

4.2.3.5 Monthly income spend out of budget

The result show in Table 11 below that most of the respontends sometimes spent out of their monthly budget 49.5 %, and only 4.9% stated that they never spent out of budget while 19.9% stated that the often spend out of budget.

Table 11: Spent of of budgt by gender

| | Often | Sometimes | Rarely | Never | Total |
|---------------|-------|-----------|--------|-------|--------|
| Male | 40 | 97 | 59 | 11 | 207 |
| | 33.9% | 33.1% | 38.8% | 37.9% | 35.0% |
| Female | 78 | 196 | 93 | 18 | 385 |
| | 66.1% | 66.9% | 61.2% | 62.1% | 65.0% |
| Total | 118 | 293 | 152 | 29 | 592 |
| | 19.9% | 49.5% | 25.8% | 4.9% | 100.0% |

4.2.3.6 Retirement and Debt

Table 12: Worry about Retirement and Debt

| | YES | NO |
|---|---------------|--------------|
| Started saving for retirement | 308 52.0% | 283 47.8% |
| Worry not enough money during retirement | 429 72.5% | 162 27.4% |
| Worry about Debt | 438 74.0 % | 153 25.8% |
| Willing to switch bank that offer free Personal Financial Management | 388 65.5% | 202 34.1% |

The results in table 12 shows that 53% of respondents have started saving for retirement. Results also show that 72.5% of this group worry that they do not have money during retirement, and 74% of them worry about debts. 65.5% of the respondents said that they are willing to switch bank that will offer free Personal Financial Management.

4.2.4 Investment Techniques

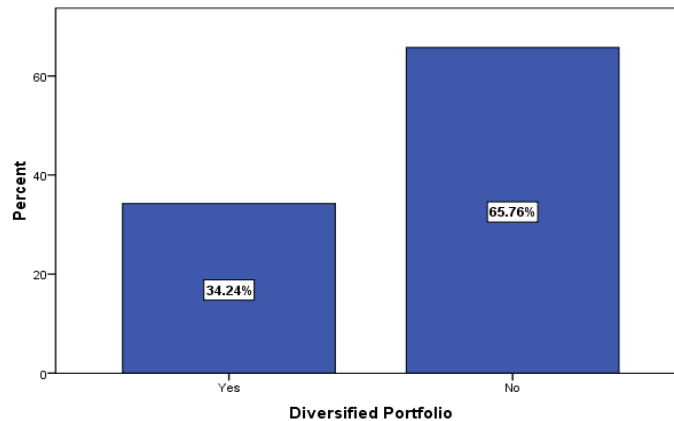
4.2.4.1 Diversify portfolio

Figure 14 below shows that only 34.24 % (201 respondents) have a diversify portfolio. The low figure in respondents having a diversify portfolios can be due to that majority of Generation Y do not know how to invest their money or it shows that only a few generation Y reduce their risk in investing by diversity their investment.

4.2.4.2 Preferred methods of purchasing shares

Table 13 below shows the preferred method by Gen Y when purchasing share. From the result 57.7% (318 respondents) prefer to go through Remisier when purchasing shares

Figure 14: Diversify Portfolio



Note: 5 missing case as respondents did not answer this session of question. Total case = 592

Table 13: Preferred methods for purchasing shares by Generation Y

| | | Responses | |
|------------------|-------------------------------|-----------|------------|
| | | N | Percentage |
| Methods purchase | Online Trading | 156 | 28.3% |
| | Through Remisier | 318 | 57.7% |
| | Through 3 rd party | 77 | 14.0% |
| Total | | 551 | 100.0% |

Note 41 missing cases as respondents did not answer this session of question. Total case = 592

4.2.4.3 Preferred type of Unit Trust

Table 14 shows that the type of unit trust preferred by Generation Y is Growth Funds 30.3% while the least preferred choose is 100% Bond Fund that is 11.7%.

Table 14: Selection of Unit Trust type by Generation Y

| | | Responses | |
|------------|-------------------|-----------|------------|
| | | N | Percentage |
| Unit Trust | Growth fund | 256 | 30.3% |
| | Balance Fund | 137 | 16.2% |
| | Capital Fund | 140 | 16.6% |
| | 100% bond Fund | 99 | 11.7% |
| | Equity Trust Fund | 212 | 25.1% |

Table 15: Factors consider before investing by Generation Y

| | | Gender | | Total | |
|---|--|--------|--------|-------|--------|
| | | Male | Female | | |
| Factor consider before investing | High Interest Returns | 135 | 223 | 358 | |
| | | 23.1% | 38.1% | 61.2% | |
| | Security of investment | 137 | 265 | 402 | |
| | | 23.4% | 45.3% | 68.7% | |
| | Low Risk | 106 | 207 | 313 | |
| | | 18.1% | 35.4% | 53.5% | |
| | Accredited by agencies | 47 | 108 | 155 | |
| | | 8.0% | 18.5% | 26.5% | |
| | Recommended by Stock broking Firm | 18 | 23 | 41 | |
| | | 3.1% | 3.9% | 7.0% | |
| | Recommended by Friends & Family members | 32 | 79 | 111 | |
| | | 5.5% | 13.5% | 19.0% | |
| | Recommended by Remisier | 16 | 25 | 41 | |
| | | 2.7% | 4.3% | 7.0% | |
| | Others | 4 | 6 | 10 | |
| | | 0.7% | 1.0% | 1.7% | |
| | Total | | 205 | 380 | 585 |
| | | | 35.0% | 65.0% | 100.0% |

Table 15 shows the factors Generation Y consider before investing. 68.7% consider Security of investment before investing follows by 61.2% on high interests Rate, 53.5% on Low Risk. The least factor to consider before investing was recommendation by Remiser 7.0% and recommendation form Stock Broking firms 7.0 %.

4.2.5 Investment Risk Profile of Malaysian Generation Y

From the result in Table 16 it is know that 80.1 % of Generation Y thinks that investing in stock Market is risky. The result in Table 17 shows that 62.8 % of Generation Y does not prefer to invest their money in shares of Bursa Malaysia.

Table 16: investing in stock Market in risky

| | | Frequency | Percentage |
|---------|-------|-----------|------------|
| Valid | Yes | 474 | 80.1% |
| | No | 116 | 19.6% |
| | Total | 590 | 99.7% |
| Missing | 999 | 2 | 0.3% |
| Total | | 592 | 100.0 |

Table 17: Preferred to in Invest in Bursa Malaysia

| | | Frequency | Percentage |
|---------|-------|-----------|------------|
| Valid | Yes | 213 | 36.0 |
| | No | 372 | 62.8 |
| | Total | 585 | 98.8 |
| Missing | 999 | 7 | 1.2 |
| Total | | 592 | 100.0 |

4.2.5. 1 Invested in high risk financial Products

The following analysis is done to find out the relationship between Gender and preferences in investing in high risk financial Products, below are the hypotheses:

H3A₀: Gender and preferences of investing in Futures Markets are independent

H3A₁: Gender and preferences of investing in Futures Markets are dependent

H3B₀: Gender and preferences of investing in Forex Markets are independent

H3B₁: Gender and preferences of investing in Forex Markets are dependent

H3C₀: Gender and preferences of investing in Commodity Markets are independent

H3C₁: Gender and preferences of investing in Commodity Markets are dependent

Table 18: Cross tabulation investing high risk financial products vs Gender

| | | Futures Markets | | Total | X^2 | Df | P-Value |
|--------|--------|-------------------|-------|-------|-------|----|---------|
| | | Yes | No | | | | |
| Gender | Male | 39 | 167 | 206 | 2.312 | 1 | 0.128 |
| | | 41.9% | 33.7% | 35.0% | | | |
| | Female | 54 | 328 | 382 | | | |
| | | 58.1% | 66.3% | 65.0% | | | |
| | | Forex Markets | | Total | X^2 | Df | P-Value |
| | | Yes | No | | | | |
| Gender | Male | 36 | 170 | 206 | 8.783 | 1 | 0.003 |
| | | 50.7% | 32.8% | 35.0% | | | |
| | Female | 35 | 348 | 383 | | | |
| | | 49.3% | 67.2% | 65.0% | | | |
| | | Commodity Markets | | Total | X^2 | Df | P-Value |
| | | Yes | No | | | | |
| Gender | Male | 25 | 182 | 207 | 5.428 | 1 | 0.020 |
| | | 50.0% | 33.6% | 35.0% | | | |
| | Female | 25 | 360 | 385 | | | |
| | | 50.0% | 66.4% | 65.0% | | | |

Table 18 above shows the Pearson chi-square result to examine whether gender and preferences of investing high risk financial products are independent. The results revealed that there was a significant relationship between the two variables for Forex Market and Commodity Market as the P-Value is < 0.05 , therefore H_0 is rejected and H_1 is accepted. For future Market the P-values is > 0.05 therefore fail to reject H_0

The following is to analysis the relationship between Race and preferences in investing in high risk financial Products

H4A₀: Race and preferences of Futures Markets are independent

H4A₁: Race and preferences of investing in Futures Markets are dependent

H4B₀: Race and preferences of investing in Forex Markets are independent

H4B₁: Race and preferences of investing in Forex Markets are dependent

H4C₀: Race and preferences of investing in Commodity Markets are independent

H4C1: Race and preferences of investing in Commodity Markets are dependent.

Table 19 below show the Pearson chi-square result to examine whether race and preferences of investing high risk financial products are independent. The results revealed that there was a significant relationship between the two variables for Future Market and Commodity Market as the P-Value is < 0.05, therefore H_0 is rejected. The P-values is > 0.05 therefor fail H_0 for Forex Market

Table: 19 Cross tabulation investing high risk financial products vs Race

| | | Futures Markets | | | X^2 | Df | P-Value |
|------|---------|-------------------|-------|-------|--------------------|----|---------|
| | | Yes | No | Total | | | |
| Race | Malay | 31 | 241 | 272 | 12.187a | 3 | .007 |
| | | 33.3% | 48.7% | 46.3% | | | |
| | Chinese | 53 | 187 | 240 | | | |
| | | 57.0% | 37.8% | 40.8% | | | |
| | Indian | 9 | 65 | 74 | | | |
| | | 9.7% | 13.1% | 12.6% | | | |
| | Others | 0 | 2 | 2 | | | |
| .0% | | .4% | .3% | | | | |
| | | Forex Markets | | | X^2 | Df | P-Value |
| | | Yes | No | Total | | | |
| Race | Malay | 24 | 249 | 273 | 6.148a | 3 | 0.105 |
| | | 33.8% | 48.1% | 46.3% | | | |
| | Chinese | 34 | 206 | 240 | | | |
| | | 47.9% | 39.8% | 40.7% | | | |
| | Indian | 13 | 61 | 74 | | | |
| | | 18.3% | 11.8% | 12.6% | | | |
| | Others | 0 | 2 | 2 | | | |
| .0% | | .4% | .3% | | | | |
| | | Commodity Markets | | | X^2 | Df | P-Value |
| | | Yes | No | Total | | | |
| Race | Malay | 17 | 259 | 276 | 8.055 ^a | 3 | 0.045 |
| | | 34.0% | 47.8% | 46.6% | | | |
| | Chinese | 23 | 217 | 240 | | | |
| | | 46.0% | 40.0% | 40.5% | | | |
| | Indian | 9 | 65 | 74 | | | |
| | | 18.0% | 12.0% | 12.5% | | | |
| | Others | 1 | 1 | 2 | | | |
| 2.0% | | .2% | .3% | | | | |

The following is to analysis the relationship between Marital Status and preferences in investing in high risk financial products. Below are the hypotheses:

H5A₀: Marital Status and preferences of investing in Futures Markets are independent

H5A₁: Marital Status and preferences of investing in Futures Markets are dependent

H5B₀: Marital Status and preferences of investing in Forex Markets are independent

H5B₁: Marital Status and preferences of investing in Forex Markets are dependent

H5C₀: Marital Status and preferences of investing in Commodity Markets are independent

H5C₁: Marital Status and preferences of investing in Commodity Markets are dependent

Table 20: Cross tabulation investing high risk financial products vs Marital Status

| | | Futures Markets | | Total | X ² | Df | P-Value |
|----------------|---------|-------------------|-------|-------|----------------|----|---------|
| | | Yes | No | | | | |
| Marital status | Single | 75 | 381 | 456 | 2.312a | 1 | 0.128 |
| | | 80.6% | 77.0% | 77.6% | | | |
| | Married | 18 | 114 | 132 | | | |
| | | 19.4% | 23.0% | 22.4% | | | |
| | | Forex Markets | | Total | X ² | Df | P-Value |
| | | Yes | No | | | | |
| Marital status | Single | 51 | 406 | 457 | 8.783a | 1 | 0.003 |
| | | 71.8% | 78.4% | 77.6% | | | |
| | Married | 20 | 112 | 132 | | | |
| | | 28.2% | 21.6% | 22.4% | | | |
| | | Commodity Markets | | Total | X ² | Df | P-Value |
| | | Yes | No | | | | |
| Marital status | Single | 35 | 424 | 459 | 5.428a | 1 | 0.020 |
| | | 70.0% | 78.2% | 77.5% | | | |
| | Married | 15 | 118 | 133 | | | |
| | | 30.0% | 21.8% | 22.5% | | | |

Table 20 above show the Pearson chi-square result to examine whether Marital Status and preferences of investing high risk financial products are independent. The results revealed that there was a significant relationship between the two variables for Forex Market and Commodity Market as the P-Value is < 0.05 , therefore H_0 is rejected. The P-values for Future Market is > 0.05 for therefor fail H_0 . Thus marital statues are for Forex Market and Commodity Market dependent.

The following is to analysis the relationship between Income and preferences in investing in high risk financial products. Below are the hypotheses:

H6A₀: Income and preferences of investing in Futures Markets are independent

H6A₁: Income and preferences of investing in Futures Markets are dependent

H6B₀: Income and preferences of investing in Forex Markets are independent

H6B₁: Income and preferences of investing in Forex Markets are dependent

H6C₀: Income and preferences of investing in Commodity Markets are independent

H6C₁: Income and preferences of investing in Commodity Markets are dependent

Table 21 below show the Pearson chi-square result to examine whether Income and preferences of investing high risk financial products are independent. The results revealed that there was a significant relationship between the three variables for Commodity Market Forex Market and Future Market the P-values is > 0.05 for therefore fail to reject all 3 Hypotheses. Therefore Income an preference for investments in risky market are independent

Table 21: Cross tabulation investing high risk financial products vs Income

| | | Futures Markets | | Total | X ² | Df | P-Value |
|--------|-----------------------|-------------------|-------|-------|----------------|----|---------|
| | | Yes | No | | | | |
| Income | < RM12,000 - RM24,000 | 60 | 346 | 406 | 2.411a | 2 | 0.300 |
| | | 64.5% | 70.2% | 69.3% | | | |
| | >RM24,000 < RM48,000 | 23 | 115 | 138 | | | |
| | | 24.7% | 23.3% | 23.5% | | | |
| | RM48,001 > RM60,000 | 10 | 32 | 42 | | | |
| | 10.8% | 6.5% | 7.2% | | | | |
| | | Forex Markets | | Total | X ² | Df | P-Value |
| | | Yes | No | | | | |
| Income | < RM12,000 - RM24,000 | 46 | 361 | 407 | .793a | 2 | 0.673 |
| | | 64.8% | 70.0% | 69.3% | | | |
| | >RM24,000 < RM48,000 | 19 | 119 | 138 | | | |
| | | 26.8% | 23.1% | 23.5% | | | |
| | RM48,001 > RM60,000 | 6 | 36 | 42 | | | |
| | 8.5% | 7.0% | 7.2% | | | | |
| | | Commodity Markets | | Total | X ² | Df | P-Value |
| | | Yes | No | | | | |
| Income | < RM12,000 - RM24,000 | 29 | 380 | 409 | 5.101a | 2 | 0.078 |
| | | 58.0% | 70.4% | 69.3% | | | |
| | >RM24,000 < RM48,000 | 14 | 125 | 139 | | | |
| | | 28.0% | 23.1% | 23.6% | | | |
| | RM48,001 > RM60,000 | 7 | 35 | 42 | | | |
| | 14.0% | 6.5% | 7.1% | | | | |

4.2.5. 2 Risk Appetite of Generation Y

Following are analysis is done to find out the relationship between Gender, Marital Status, Race and Income to the risk appetite of Generation Y. The hypotheses are as follows:

H7₀: Gender and risk appetite of Generation Y are independent.

H7₁: Gender and risk appetite of Generation Y are dependent.

H8₀: Marital status and risk appetite of Generation Y is independent.

H8₁: Marital status and risk appetite of Generation Y is dependent.

H9₀: Race and risk appetite of Generation Y are independent.

H9₁: Race and risk appetite of Generation Y are dependent.

H10₀: Income and risk appetite of Generation Y are independent.

Table 22 show that the risk appetite of Generation Y are moderate, the table also below show the Pearson chi-square result to examine whether Gender, Marital Status, Race Income and risk appetite of Generation Y are independent. The results revealed that there was a significant relationship between the three variables for gender, race and income as the P-Value is < 0.05, and therefore H₀ is rejected. The P-values for Marital Status > 0.05 for therefore fail to reject H₀. Thus risk appetite in dependent on gender, income level and race

Table 22: Cross tabulation Risk Appetite in Investing

| | | Risk Appetite in Investing | | | | Total | X ² | Df | P-Value |
|------------------------|--------------------------|----------------------------|----------|--------|-----------|--------|----------------|----|---------|
| | | Low | Moderate | High | Very High | | | | |
| Gender | Male | 55 | 98 | 43 | 10 | 206 | 10.919 | 3 | 0.012 |
| | | 26.7% | 47.6% | 20.9% | 4.9% | 100.0% | | | |
| | Female | 147 | 157 | 55 | 26 | 385 | | | |
| | | 38.2% | 40.8% | 14.3% | 6.8% | 100.0% | | | |
| Marital status | Single | 149 | 208 | 74 | 27 | 458 | 4.390 | 3 | 0.222 |
| | | 32.5% | 45.4% | 16.2% | 5.9% | 100.0% | | | |
| | Married | 53 | 47 | 24 | 9 | 133 | | | |
| | | 39.8% | 35.3% | 18.0% | 6.8% | 100.0% | | | |
| Income | < RM12,000 - RM24,000 | 160 | 158 | 61 | 29 | 408 | 20.517 | 6 | 0.002 |
| | | 39.2% | 38.7% | 15.0% | 7.1% | 100.0% | | | |
| | >RM24,000 < RM48,000 | 35 | 72 | 27 | 5 | 139 | | | |
| | | 25.2% | 51.8% | 19.4% | 3.6% | 100.0% | | | |
| RM48,001 > RM60,000 | 7 | 23 | 10 | 2 | 42 | | | | |
| | 16.7% | 54.8% | 23.8% | 4.8% | 100.0% | | | | |
| Race | Malay | 105 | 114 | 34 | 23 | 276 | 29.944 | 9 | 0.000 |
| | | 38.0% | 41.3% | 12.3% | 8.3% | 100.0% | | | |
| | Chinese | 66 | 117 | 48 | 8 | 239 | | | |
| | | 27.6% | 49.0% | 20.1% | 3.3% | 100.0% | | | |
| | Indian | 31 | 24 | 14 | 5 | 74 | | | |
| | | 41.9% | 32.4% | 18.9% | 6.8% | 100.0% | | | |
| Others | 0 | 0 | 2 | 0 | 2 | | | | |
| .0% | .0% | 100.0% | .0% | 100.0% | | | | | |

4.3 Inferential Analysis

4.3.1 Multiple Regression Analysis

Table 23 : Model summary of Multiple Regression Analysis for Saving

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .104 ^a | .011 | .001 | 17.719 |

a. Predictors: (Constant), Educated on the important of saving, Influence by information from media, Preparation for uncertainty, Preparation of emergency, to achieve financial freedom

In table 23 above, The R square of 0.011 shows that 1.1 % of the variation of saving is explained by the equation.

Table 24: Anova for Saving

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|-----|-------------|-------|-------------------|
| 1 | Regression | 1683.942 | 5 | 336.788 | 1.073 | .375 ^a |
| | Residual | 154465.136 | 492 | 313.954 | | |
| | Total | 156149.078 | 497 | | | |

a. Predictors: (Constant), Educated on the important of saving, Influence by information from media, Preparation for uncertainty, Preparation of emergency, To achieve financial freedom

b. Dependent Variable: Income Save

Referring to Table 24, the F value =1.073 and the p- value = 0.375 which is > 0.05. Therefore we do not reject the null hypothesis.

The table 25 below summarized the results of Pearson correlation analysis that has been conducted. It shows that:

- a. Educated on the important of saving = 0.996, therefore saving is influence by educated on the important of saving
- b. Influence by information from media = 1.088, therefore saving is influence by Influence by information from media.
- c. Preparation for uncertainty = 0.079, therefore saving is influence by Preparation for uncertainty

- d. Preparation of emergency = -0.261, therefore saving is negative related to preparation of emergency.
- e. To achieve financial freedom =0.392, therefore saving is influence by to achieve financial freedom

Table 25: Coefficients of Multiple Regression Analysis for Saving

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|-------------------------------------|-----------------------------|------------|---------------------------|-------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 16.455 | 5.318 | | 3.094 | .002 |
| | Educated on the important of saving | .996 | .934 | .054 | 1.066 | .287 |
| | Influence by information from media | 1.088 | .770 | .068 | 1.414 | .158 |
| | Preparation for uncertainty | .079 | 1.359 | .004 | .058 | .954 |
| | Preparation of emergency | -.261 | 1.437 | -.011 | -.182 | .856 |
| | To achieve financial freedom | .392 | .804 | .023 | .488 | .626 |

a. Dependent Variable: Income Save

Referring to Table 25, the regression equation based on the indicated regression parameter estimates would be:

$$E(Y_{sv}) = \alpha + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_4 x_4 + \beta_5 x_5$$

$$\text{Saving} = 16.455 + 0.996 x_1 + 1.088 x_2 + 0.079 x_3 - 0.261 x_4 + 0.392 x_5$$

Whereby

Y_{sv} = Saving

X_1 = Educated on the important of saving

X_2 = Influence by information from media

X_3 = Preparation for uncertainty

X_4 = Preparation of emergency

X_5 = To Achieve financial freedom

Table 26 : Model summary of Multiple Regression Analysis for Spending

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .279 ^a | .078 | .068 | 24.008 |

a. Predictors: (Constant), Budgeting, Distraction, Economic cost assessment, Time binding, Pre-commitment

In Table 26 above, The R square of 0.78 show that 78 % of the variation of spending is explained by the equation.

Table 27: Anova for Spending

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|-----|-------------|-------|-------------------|
| 1 | Regression | 23913.853 | 5 | 4782.771 | 8.298 | .000 ^a |
| | Residual | 283591.012 | 492 | 576.404 | | |
| | Total | 307504.865 | 497 | | | |

a. Predictors: (Constant), Budgeting, Distraction, Economic cost assessment, Time binding, Pre-commitment

b. Dependent Variable: Income Spent

In Table 27, the F value = 8.298 and the p- value = 0.000 which is < 0.05 support the significant of this regression model. Therefore we reject the null hypothesis.

Table 28, below summarized the results of Pearson correlation analysis that has been conducted. It shows that:

- a) Budgeting =-3.153, therefore spending is negative related to budget
- b) Distraction, = -2.214, therefore spending is negative related
- c) Economic cost assessment, =1.329, therefore spending is influence by Economic cost assessment
- d) Time binding = -1.975, therefore spending is negative related Time binding
- e) Pre-commitment = -1.511, therefore spending is negative related Pre-commitment

Table 28 : Coefficients of Multiple Regression Analysis for Spending

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|--------------------------|-----------------------------|------------|---------------------------|--------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 86.179 | 5.059 | | 17.034 | .000 |
| | Budgeting | -3.153 | 1.361 | -.135 | -2.316 | .021 |
| | Distraction | -2.214 | 1.231 | -.105 | -1.799 | .073 |
| | Economic cost assessment | 1.329 | 1.412 | .052 | .941 | .347 |
| | Time binding | -1.975 | 1.277 | -.081 | -1.547 | .123 |
| | Pre-commitment | -1.511 | 1.132 | -.071 | -1.334 | .183 |

a. Dependent Variable: Income Spent

Referring to Table 28 , the regression equation based on the indicated regression parameter estimates would be:

$$E (Y_{SP}) = \alpha + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \beta_4x_4 + \beta_5x_5$$

$$\text{Spending} = 86.179 - 3.153x_1 - 2.219x_2 + 1.329x_3 - 1.975x_4 - 1.511x_5$$

Y_{SP} = Spending

X_1 = Budgeting

X_2 = Distraction

X_3 = Economic cost assessment

X_4 = Time binding

X_5 = Pre-commitment

4.3.2: Hypotheses Summary

Table 29 : Summary of Hypotheses

| Hypotheses | P-Value | Observations |
|---|-----------------------------|---|
| H1a: There is a significant relationship between been educated on the important of saving and saving. | < 0.05 reject Ho | There is a significant relationship between been educated on the important of saving and saving. |
| H1b: There is a significant relationship between once influence by information about saving from media and saving. | < 0.05 reject Ho | There is a significant relationship between once influence by information about saving from media and saving. |
| H1c: There is a significant relationship between preparation for uncertainty and saving. | < 0.05 reject Ho | There is a significant relationship between preparation for uncertainty and saving. |
| H1d: There is a significant relationship between preparation of emergency and influence by information about saving from media | < 0.05 reject Ho | There is a significant relationship between preparation of emergency and influence by information about saving from media |
| H1e: There is a significant relationship between to achieve saving financial freedom and saving | < 0.05 reject Ho | There is a significant relationship between to achieve saving financial freedom and saving |
| H2a: There is a significant relationship between been budgeting and spending. | > 0.05 Fail to reject Ho | There is no a significant relationship between been budgeting and spending. |

| Hypotheses | P-Value | Observations |
|--|-----------------------------|---|
| H2b: There is a significant relationship between and distraction and spending. | > 0.05 Fail to reject Ho | There is no a significant relationship between and distraction and spending. |
| H2c: There is a significant relationship between economic cost assessment and spending. | > 0.05 Fail to reject Ho | There is no a significant relationship between economic cost assessment and spending. |
| H2d: There is a significant relationship between time binding and spending | > 0.05 Fail to reject Ho | There is no a significant relationship between time binding and spending |
| H2e: There is a significant relationship between pre-commitment and spending. | > 0.05 Fail to reject Ho | There is a no significant relationship between pre-commitment and spending. |
| H3A ₀ : Gender and preferences of investing in Futures Markets are independent | > 0.05 Fail to reject Ho | H3A ₁ : Gender and preferences of investing in Futures Markets are dependent |

CHAPTER 5

DISCUSSION AND CONCLUSION

5.1 Introduction

This chapter discussed the overall finding of the research study. It implications of the research findings, limitation and directions for future research are reported in this chapter. The conclusion for this study will be summarised based on the result from this study.

5.2 Discussion and Recommendation

The data collected was analysed and reported in Chapter 4, with the result from the data we will look back at our research objective and conclude our findings

The first objective was to determine the consumption and spending patterns of Generation Y. In terms of spending it was identified the Malaysian Generation Y spent on average 60% of their monthly income and it is spent mostly of monthly income for daily necessities that is 77.8%, this follows by transportation 64.6 %, parent pocket money 59.5%, entertainment and leisure 55.2% and 44.2% for car loan installment.

The research results also found out that 19.9% of Malaysian Generation Y often spend out of thier budget, 49.5 % stated they sometimes spent out of their monthly budget and only 4.9% stated that they never spent out of budget.The

results also show that there is a positive relationship between Budgeting, Distraction, Economic Cost Assessment, Time binding and Pre-commitment with spending.

The next objective was to determine the level of saving and the forms of saving performed by Generation Y. In terms of saving it is know that Malaysian Generation Y save about 24.63 % of their income monthly which is closely to the national saving rate.

In terms of preferred method of saving the results show that Saving Account 37.7% and Fixed Deposit 19.4% were the preferred choices. The results also show Malaysian generation Y preferred to save through investments such as Unit Trust 15.6 % and Gold 13.1%. The result also shows investment method by shares is unpopular 8.9% in this group.

In terms on main purpose of saving, Malaysian Generation Y purpose of saving are for emergency & unforeseen circumstances 25.6 %, second was for future investment 24.1 %, third was for vacation 10.9% and forth was for wedding 10.4%. While only 5.9% of Generation Y said their purposed of save to start a business. The result also show that both male and female Generation Y have stated saving for retirement 8.3 %.

The results show as well that the main reason that hinder Malaysian Generation Y from saving is due to low income 40.5%, next is due to too many fixed expenditure 35.5 %. From our results as well shows that there is a positive relationship between educated on the important of saving, Influence by information from media, preparation for uncertainty, preparation of emergency and to achieve financial freedom.

The next objective was to study the method of investments practiced by Generation Y. For our results its shows that the type of unit trust preferred by Generation Y is Growth Funds 30.3% while the lest preferred choose is 100% Bond Fund 11.7%. The analysis results tell that the factors Generation Y consider before investing. Is the Security of investment (68.7%) follows by 61.2% on high

interests Rate, and 53.5% on Low Risk. The least factor to consider before investing was recommendation by Remiser 7.0% and recommendation form Stock Broking firms 7.0 %.

The next objective is to assess the awareness of risk management in investment of Generation Y. From the result in Table 16 it is know that 80.1 % of Generation Y thinks that investing in stock Market is risky. The result in Table 17 shows that 62.8 % of Generation Y does not prefer to invest their money in shares of Bursa Malaysia.

The next objective is to determine the effective channels of communication with Generation Y. In terms of communication by word of mouths, Malaysian Generation Y prefer to obtain information on saving and investments from their parents & sibling 53.32% while 52.36% prefer to source information from relative and friends. The results also shows 31.85% of the respondents prefer to obtain information from Facebook and 25.55 % prefer to source for information from websites and online portal. Even though this generation group are IT savvy and prefer online resources, Malaysian Generation Y least prefer to obtain resources from blog. The reasons to this are maybe they find that the information from blogs is not viable and reliable, as the information is based on the blog writer own knowledge

In terms of preferred channel of communication for banks to introduce their investment schemes, Malaysian Generation Y has responded that they prefers to receive this information on through emails 44.4 %, Newspapers 35.5%, Sales Agents 31.5% and also through SMS 29.3%. Therefore the effective channels for banks and financial institution to communicate with Malaysian Generation Y are through online communication, such as Facebook, website portal, smart phone mobile application and emails.

Banks and financial institution who are trying to attractive Malaysia Generation Y customers need to introduce new offers suited to their needs. These include innovative products and services, special interest rates, no fee transactions, customized products. These banks must also show more interest in using the

social media communication channels which are preferred by this group such as Facebook. The banks Facebook site can hosts pages on poll, savings tips, customer feedback. They can also enhance their bank website to have a personalised budgeting and financial planning application, where customer can view electronic presentations on products, and carry out daily banking functions through online with remote service specialists.

Another way is for banks to come up with an application for smart phone where it provides customers with seamless access to their finances that combines rich visualizations and contextual information to communicate the implications and relationships among financial data. With this Generation Y can have direct control of their money. The application should include features such as graphic indicator of available fund, saving application that establishes rules around spending.

This study last objective is to make recommendation for appropriate selling/marketing channel of investment linked products target Generation Y based on the preferred channel selected from the survey. As stated above one of the main purpose of saving of Malaysian Generation Y was for future investment 24.1 %, therefore banks and financial institution can come up with a saving and investment schemes suitable for Generation Y. This saving and investment schemes should be unique as they has their own approach to money and spending. The marketing channel for this investment linked products should be through social media communication channels.

As most of the Malaysian Generation Y do not have a diversify portfolio in investment and they think investing their money in stock are risky. Financial institutions may advice and market to Generation Y to invest in commodities like gold. The value of gold has remained largely stable for decades therefor it will not be a risky investment for them to start.

Most of Malaysian Generation Y is at the point of buying their first home/house. Even though the government have created My First Home Schemes to help

Malaysian, this scheme does not help them to own their first home as there are ineligible to get the loan from the bank. This because with their current income and spending Generation Y are unable to make the monthly payment. Therefore the government and the bank sector should relook into this and come up with a more workable scheme that fit into Generation Y financial situation.

Lastly the key thing that bank and financial institutions as well as government agency need to do is to creating and maintaining lifelong relationships with Generation Y. The data shows that 65.5% of the respondents said that they are willing to switch bank that will offer free Personal Financial Management. Banks should have a free Personal Financial Management that caters to Generation Y needs. Such as introducing them with the right financial services, educating them long-term and helping them use these products and services to reach financial independence. Generation Y is so different from their other generation group therefore that banks and financial institutions must understand their needs, if they want them as their customers. Banks will need to use an approach distinctly different from anything that they have been familiar. The imperative is that as the financial power of Generation Y expands its members will change how financial transactions are conducted together with patterns of spending, saving and investments in Malaysia.

5.3 Limitation of Study

The first limitation to this study is that there are few research done on the saving spending and investment habit of Malaysian Generation Y therefore there is limited comparison can be made in this research. The next limitation is the time constraint that has retained this research to draw a larger sample size, with a larger sample size and the result will be more accurate.

5.4 Conclusion and Implication for Further Research

The results analysis from this research project shall be of great interests of policy makers such as government and businesses in providing appropriate products and services in line with their consumption, spending, and investment behaviours.

Due to the limitations of this research, three recommendations are suggested for the purpose of enhancing the study for further research.

Further studies may consider increasing the sample size as currently for this research project only Malaysian Generation Y in major cities was only focused, and Generation Y in Sabah, Sarawak and Perlis were left out. Therefore, the findings of this study were unable to be generalizing to all populations of Malaysian Generation Y group.

Beside that it is recommended that future research shall utilize broader demographic profile of the generation Y respondents as this study was only studying on generation Y working in major cities and did not consider those in rural areas in Malaysia.

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APPENDIX A: SURVEY QUESTIONNAIRE

Research Topic: Consumption, Spending and Investment Behavior of Malaysia Generation Y

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.

Regards,

Amirtha Sangeetha Ganesan
Postgraduate Student, Universiti Tunku Abdul Rahman

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
 Selangor
 Perak
 Kelantan
 Perlis
 Pahang
 Kedah

Sabah
Sarawak
Johor
Terengganu
Pulau Penang
Melaka
Negeri Sembilan

6) What is your highest education attained?

Apakah pendidikan tertinggi yang anda perolehi?

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

7) What is your employment status?

Apakah status pekerjaan anda?

| | | |
|--------------------------|---------------------------------|-----------------------|
| <input type="checkbox"/> | Employee of Private Sector | (Pekerja Swasta) |
| <input type="checkbox"/> | Government Employee | (Kakitangan Kerajaan) |
| <input type="checkbox"/> | Self-Employed | (Bekerja sendiri) |
| <input type="checkbox"/> | Employer | (Majikan) |
| <input type="checkbox"/> | Housewife | (Surirumah) |
| <input type="checkbox"/> | Others, please specify _____ | Lain lain _____ |

8) Please indicate your current working position?

Sila nyatakan jawatan pekerjaan semasa anda?

| | | |
|--------------------------|---------------------------------|--------------------|
| <input type="checkbox"/> | Junior Executive | (Eksekutif Junior) |
| <input type="checkbox"/> | Senior Executive | (Eksekutif Senior) |
| <input type="checkbox"/> | Managerial | (Pengurus) |
| <input type="checkbox"/> | Top Management | (Pengurus atasan) |
| <input type="checkbox"/> | Others, please specify _____ | Lain lain _____ |

9) Please indicate your Annual Income?

Sila nyatakan pendapatan tahunan anda?

| | |
|--------------------------|-----------------------|
| <input type="checkbox"/> | < RM 12,000 |
| <input type="checkbox"/> | RM 12,001 – RM 24,000 |
| <input type="checkbox"/> | RM 24,001 – RM 36,000 |
| <input type="checkbox"/> | RM 36,001 – RM 48,000 |
| <input type="checkbox"/> | RM48, 000 – RM 60,000 |
| <input type="checkbox"/> | > RM60,000 |

SECTION 2 – Information Sources (Sumber Informasi)

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

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

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

| | | |
|--------------------------|-------------------------|------------------------------|
| <input type="checkbox"/> | Relatives & Friends | (Saudara mara & rakan-rakan) |
| <input type="checkbox"/> | Parents & Sibling | (Ibubapa & Adik-beradik) |
| <input type="checkbox"/> | Books & Magazine | (Buku & Majalah) |
| <input type="checkbox"/> | Newspaper | (Suratkhabar) |
| <input type="checkbox"/> | Brochure & Catalogue | (Risalah & Katalog) |
| <input type="checkbox"/> | Blog/Facebook | (Blog/Facebook) |
| <input type="checkbox"/> | Websites/On-line Portal | (Laman web) |
| <input type="checkbox"/> | Radio | (Radio) |
| <input type="checkbox"/> | Television | (Televisyen) |
| <input type="checkbox"/> | 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)

| | | |
|--------------------------|------------------------------------|----------------------------|
| <input type="checkbox"/> | Unit Trust | (Tabung Amanah) |
| <input type="checkbox"/> | Saving Accounts | (Akaun Simpanan Semasa) |
| <input type="checkbox"/> | Fixed Deposit | (Akaun Simpanan Tetap) |
| <input type="checkbox"/> | Shares/Security | (Saham/Securiti) |
| <input type="checkbox"/> | 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*)

| | | |
|--------------------------|---|---|
| <input type="checkbox"/> | Car Loan Installment | (Pinjamam Kereta) |
| <input type="checkbox"/> | Housing Loan Installment | (Pinjaman Rumah) |
| <input type="checkbox"/> | House Rental | (Sewa Rumah) |
| <input type="checkbox"/> | Education Loan or Tuition Fees | (Yuran Pendidikan) |
| <input type="checkbox"/> | Insurance | (Ansuran Insuran) |
| <input type="checkbox"/> | Daily necessities | (Barangan Keperluan harian) |
| <input type="checkbox"/> | Parents Pocket Money | (Wang Saku Iubapa) |
| <input type="checkbox"/> | Monthly household expenditure (example utilities bills) | (Perbelanjaan bulanan rumahtangga)-seperti Bill utility |
| <input type="checkbox"/> | Transportation | (Pengangkutan) |
| <input type="checkbox"/> | 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)*

| | | |
|--------------------------|--------------------------------------|---------------------------------------|
| <input type="checkbox"/> | For future Investments | (Pelaburan masa depan) |
| <input type="checkbox"/> | Vacation | (Percutian) |
| <input type="checkbox"/> | Down payment for house | (Wang dahuluan untuk pembelian rumah) |
| <input type="checkbox"/> | Children's education | (Bayaran pendidikan anak anak) |
| <input type="checkbox"/> | For my wedding | (Simpanan untuk perkahwinan) |
| <input type="checkbox"/> | Retirement | (Persiapan Persaraan) |
| <input type="checkbox"/> | Emergency & unforeseen circumstances | (Kecemasan yang tidak djangka) |
| <input type="checkbox"/> | 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)

- | | | |
|--------------------------|------------------|------------------------|
| <input type="checkbox"/> | Saving Account | (Akaun Simpanan) |
| <input type="checkbox"/> | Fixed Deposit | (Deposit Tetap) |
| <input type="checkbox"/> | Shares | (Saham) |
| <input type="checkbox"/> | Unit Trust Fund | (Kumpulan Wang Amanah) |
| <input type="checkbox"/> | Foreign Currency | (Mata Wang Asing) |
| <input type="checkbox"/> | 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?

- | | | | |
|--------------------------|-----------------|--------------------------|------------------------|
| <input type="checkbox"/> | Often (Selalu) | <input type="checkbox"/> | Sometimes (Kadangkala) |
| <input type="checkbox"/> | Rarely (Jarang) | <input type="checkbox"/> | 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?

- | | | |
|--------------------------|-------------------------------------|------------------------------------|
| <input type="checkbox"/> | As much as I should | (Sebanyak mana yang harus) |
| <input type="checkbox"/> | Should be saving and investing more | (Patut menyimpan dan melabur lagi) |
| <input type="checkbox"/> | I am not sure | (Saya tidak pasti) |

17) Do you allocate money for emergency?

Adakah anda memperuntukkan wang untuk kecemasan?

- | | |
|--------------------------|------------|
| <input type="checkbox"/> | Yes (Ya) |
| <input type="checkbox"/> | No (Tidak) |

18) How many **MONTHS WORTH OF LIVING EXPENSES** can your savings cover?

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

| | | |
|--------------------------|-------------------|-------------------------|
| <input type="checkbox"/> | Less than 1 month | Kurang daripada 1 bulan |
| <input type="checkbox"/> | 1 to 2 months | 1 hingga 2 bulan |
| <input type="checkbox"/> | 3 to 4 months | 3 hingga 4 bulan |
| <input type="checkbox"/> | 5 to 6 months | 5 hingga 6 bulan |
| <input type="checkbox"/> | 7 to 8 months | 7 hingga 8 bulan |
| <input type="checkbox"/> | 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 sumber 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?

| | | |
|--------------------------|---|--|
| <input type="checkbox"/> | Low Income | (Pendapatan rendah/tidak mencukupi) |
| <input type="checkbox"/> | Too many fixed expenditures | (Terlalu banyak perbelanjaan tetap) |
| <input type="checkbox"/> | Low interest rate | (Kadar faedah yang rendah) |
| <input type="checkbox"/> | Lack of knowledge on how to save | (Kurang pengetahuan tentang bagaimana untuk menjimatkan) |
| <input type="checkbox"/> | 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) |
| <input type="checkbox"/> | 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 **WILLING TO SWITCH TO BANKS** 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

- | | | |
|--------------------------|------------------------------------|----------------------------|
| <input type="checkbox"/> | Saving and Fixed deposit in bank | (Simpanan tetap di bank) |
| <input type="checkbox"/> | Unit trust (ASM, ASN, Mutual Fund) | (Unit Amanah Saham) |
| <input type="checkbox"/> | Shares | (Saham) |
| <input type="checkbox"/> | Investment linked insurance | (Polisi Insuran pelaburan) |
| <input type="checkbox"/> | Buying property | (Membeli harta rumah) |
| <input type="checkbox"/> | Foreign Currency | (Matawang asing) |
| <input type="checkbox"/> | Gold | (Emas) |

27) Do you have a DIVERSIFY PORTFOLIO in your investment?

Adakah anda mempelbagaikan portfolio 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

(Tabung 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*

| | | |
|--------------------------|---|---|
| <input type="checkbox"/> | High Interest Returns | (Pulangan Faedah yang Tinggi) |
| <input type="checkbox"/> | Security of investment | (Keselamatan pelaburan) |
| <input type="checkbox"/> | Low Risk | (Risiko rendah) |
| <input type="checkbox"/> | Accredited by agencies | (Diiktiraf oleh agensi-agensi) |
| <input type="checkbox"/> | Recommended by Stock broking Firm | (Disyorkan oleh Firma broker Saham) |
| <input type="checkbox"/> | Recommended by Friends & Family members | (Disyorkan oleh Kawan & Ahli-ahli keluarga) |
| <input type="checkbox"/> | Recommended by Remisier | (Disyorkan oleh 'Wakil Saham') |
| <input type="checkbox"/> | 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?

| | | |
|--------------------------|------------------------------|-------------------|
| <input type="checkbox"/> | SMS | (SMS) |
| <input type="checkbox"/> | Emails | (Email) |
| <input type="checkbox"/> | Newspapers | (Surat khabar) |
| <input type="checkbox"/> | Television | (Televisyen) |
| <input type="checkbox"/> | Telephone | (Melalui telefon) |
| <input type="checkbox"/> | Sales agents | (Agent jualan) |
| <input type="checkbox"/> | 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?

- | | | |
|--------------------------|-----------|-----------------|
| <input type="checkbox"/> | Low | (Rendah) |
| <input type="checkbox"/> | Moderate | (Serdahana) |
| <input type="checkbox"/> | High | (Tinggi) |
| <input type="checkbox"/> | 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?

- | | | |
|--------------------------|------------------|-------------------|
| <input type="checkbox"/> | No | (Tidak) |
| <input type="checkbox"/> | Yes (Sometimes) | (Ya -kadang-kala) |
| <input type="checkbox"/> | 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?

- | | | |
|--------------------------|-------------------|--------------------------|
| <input type="checkbox"/> | 10% of my capital | (10% modal) |
| <input type="checkbox"/> | 20% of my capital | (20% modal) |
| <input type="checkbox"/> | 30% of my capital | (30% modal) |
| <input type="checkbox"/> | 40% of my capital | (40% modal) |
| <input type="checkbox"/> | 50% of my capital | (50% modal) |
| <input type="checkbox"/> | No cut loss level | (Tiada tahap 'cut loss') |

END OF SURVEY

THANK YOU FOR PARTICIPATING IN THIS SURVEY.