BEHAVIOURAL BIASES AND YOUTH'S FINANCIAL PREPAREDNESS: EXAMINING EMERGENCY SAVINGS IN PERSONAL FINANCIAL PLANNING

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A final year project submitted in partial fulfilment of the requirement for the degree of

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

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LIST OF ABBREVIATIONS

FPES	Financial Preparedness for Emergency Savings
FL	Financial Literacy
SI	Social Influence
SC	Self-Control
IL	Income Level
Gen Z	Generation Z
FINRA	Financial Industry Regulatory Authority
BNPL	Buy Now, Pay Later
DOSM	Department of Statistics Malaysia
KRI	Khazanah Research Institute
EPF	Employees Provident Fund
PTPTN	Perbadanan Tabung Pendidikan Tinggi Nasional
AKPK	Agensi Kaunseling dan Pengurusan Kredit
PIDM	Perbadanan Insurans Deposit Malaysia
OECD	Organisation for Economic Co-operation and Devopment
TPB	Theory of Planned Behaviour
NSTP	New Straits Times Press

PBC	Perceived Behavioural Control
FINCO	Financial Industry Collective Outreach
UTAR	Universiti Tunku Abdul Rahman
SPSS	Statistical Package for the Social Sciences
ANOVA	Analysis of Variance
VIF	Variance Inflation Factor

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PREFACE

This research project was undertaken as part of the fulfilment of the requirements for the Bachelor of Business Administration (Hons) Banking and Finance at Universiti Tunku Abdul Rahman (UTAR). The topic selected, Behavioural Biases and Youth's Financial Preparedness: Examining Emergency Savings In Personal Financial Planning, it reflects not only an academic interest but also a critical real-world issue faced by the younger generation in today's volatile economic environment.

Throughout this journey, we explored how behavioural factors such as self-control, financial literacy, social influence, and income levels influence youth's ability to accumulate emergency savings. The study was inspired by the growing concerns over financial insecurity among Malaysian youth and the lack of preparedness in facing unexpected financial challenges.

This proposal is the culmination of months of reading, critical thinking, data collection, and collaborative effort. It is hoped that this research not only contributes to the academic understanding of personal financial planning but also provides practical insights for educators, policymakers, and youth themselves in building stronger financial resilience.

We extend our deepest gratitude to our supervisor and examiner, Cik Nabihah Binti Aminaddin and Cik Nik Nuraisyah Binti Nik Azmi, for their invaluable guidance and constructive feedback throughout this research. Our appreciation also goes to the Faculty of Business and Finance at UTAR, as well as all the respondents who contributed their time and insights to this study. This work is dedicated to all youth striving for financial independence and stability in an ever-changing financial landscape.

ABSTRACT

This study examines how behavioural biases, financial literacy, social influence, self-control, and income level influence Malaysian youths' financial preparedness, particularly about emergency savings. Financial preparedness is critical for stability, yet many young people struggle owing to cognitive biases, poor information, peer pressure, and financial boundaries. This study used a quantitative cross-sectional design and was guided by the Theory of Planned Behaviour (TPB). An online questionnaire was issued to Malaysian youths aged 18-40, and 384 valid responses were evaluated using SPSS, which included descriptive statistics, reliability tests, normality test, and multiple regression. The findings indicate that all four independent factors have a substantial and positive relationship on financial preparation. Financial literacy was the most significant, highlighting the significance of knowledge and abilities in motivating savings behaviour. Social influence was significant, as supportive peer and family norms promoted readiness. The study found that self-control is crucial for resisting impulsive spending, whereas income level had a moderate but significant effect on saves capacity. The model accounted for 66.9% of deviation in financial preparedness. The report points out the importance of improved financial education, employer-led savings campaigns, and governmental measures that address behavioural and structural barriers. It contributes to personal financial planning research in emerging economies and enables policymakers, educators, and financial institutions useful information for increasing youths' financial resilience.

Keywords: Financial Literacy; Social Influence; Self-Control; Income Level; Financial Preparedness; Emergency Savings; Theory of Planned Behaviour

Subject Area: HG 179 Personal Finance

CHAPTER 1: RESEARCH OVERVIEW

1.0 Introduction

Financial preparedness is an important component of personal economic security particularly for youth transitioning to adulthood. It refers to the capacity to anticipate and prepare for the unexpected financial issues using the methods such as the emergency savings. Despite its important, many young people, particularly those aged 18 to 40, encounter considerable difficulties in accumulating and managing emergency savings. Behavioural biases (self-control), a lack of financial awareness, social influence, and low-income levels all are contributing to these issues. This research attempts to investigate the factors that impact youths' financial preparation, with a focus regarding the role of behavioural biases (self-control), financial literacy, social influence, and income in shaping saving practices. This chapter will discuss the research background, problem statement, research aims, research questions, study significance, and conclusion.

1.1 Research Background

Financial preparedness can be determined as the capacity to anticipate, plan for, and respond to unforeseen financial shocks through mechanisms like the emergency savings, is a critical determinant of long-term economic stability. This is particularly true for youth transitioning into adulthood (aged 18-40), a demographic confronting some unique financial challenges such as student debt burdens, volatile the job markets, and rising costs of housing, and rising costs of housing, healthcare, and

education (Sabri et al., 2023; "Youth and Covid-19: Response, Recovery and Resilience", 2020). Behavioural economics identifies cognitive biases, including the present bias (prioritizing short-term rewards over long-term gains), social comparison (mimicking peer spending habits), and overconfidence (overestimating financial management skills), as a key driver of poor saving behaviour (BehavioralEconomics.com, 2024). These biases undermine financial preparedness and exacerbate vulnerabilities among youth, particularly in the contexts of economic instability.

Present biases manifests as a tendency to favour immediate gratification, often at the expense of long-term financial security. Studies indicate that 56% of individual exhibit present-prioritizing behaviour, opting for the instant rewards over the future benefits, while 51% prioritize spending over saving during financial strain (Mayo-Wilson et al., 2023). This bias correlates strongly with the inadequate emergency savings: individuals with higher present bias are significantly less likely to maintain emergency funds ("Savings Report," n.d). Moreover, social comparison, amplified by the social media, exacerbates the spending behaviours. Notably, Generation Z have a lot of money to spend around the world. Within them, 29% are more likely to buy from businesses that have a social media presence, 41% find new products on social media through short-form videos, 55.1% shop with buy now, pay later (BNPL), 64% are willing to pay more for brands they trust, 58% bought something they saw on social media, and 74% prefer to shop on their phones rather than other devices (Howarth, 2025). This demonstrates that social media amplifies peer-driven spending, with present bias contributing to youths' inadequate emergency savings. Meanwhile, overconfidence in the financial literacy creates a false sense of security, leading to risky financial decisions. The Financial Industry Regulatory Authority (FINRA, 2023) found that 58% if youth overestimate their financial knowledge, correlating with the higher debt and lower savings. These biases are intensified by the financial literacy: only 29% of youth globally grasp basic concept like compound interest, leaving them vulnerable to predatory lending and debt cycles. Behavioural biases refer to systematic patterns of deviation from rational financial decision-making, often driven by psychological influences (Marchand & Tilburg University, 2012).

The Malaysian context illustrates these challenges starkly. A 2024 Hong Leong Bank Berhad survey reveals that 79% of Malaysian lack comprehensive financial plans, often citing the insufficient income as a barrier to wealth management (Hong Leong Bank Wealth Perception Survey, 2024). This perception reflects on a cycle where the immediate consumption needs overshadow long-term planning, even among those aware of its importance. Concurrently, a 2022 Securities Commission Malaysia survey highlighted that financial stress among the lower-income youth, whose earnings fail to cover both daily expenses and emergency savings (Tay, 2022). Etiqa's 2024 Gen Z Financial Health Survey underscores this crisis: 64% of young Malaysians cite inadequate emergency savings and persistent saving difficulties as primary concerns (Turner, 2025). These findings underscore urgent needs for accessible financial education and planning resources tailored to diverse socioeconomic groups.

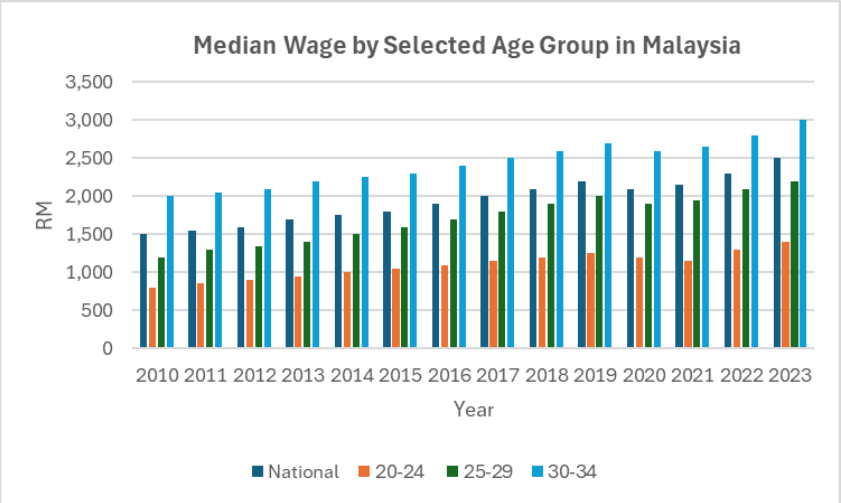

Figure 1.1 Median wage according to selected age group, 2010-2023. Adapted from Department of Statistics Malaysia 2024

Structural economic barriers further compound these issues. Malaysia's labour market, only 33.1% favourable to workers in 2023 (DOSM, 2024a), reflects stagnant wages and unequal income distribution. While the Eurozone allocated 52.9% of labour compensation to employees in 2022, Malaysia's wages growth remains

slow. The national average monthly income in 2023 was RM2602, but younger cohorts earn significantly less: RM1593 (20-24 aged group) and RM2076 (25-29 aged group), compared to RM2702 for those aged 30-34 (DOSM, 2024b). Youth wages have stagnated nominally, rising from RM1,500 in 2010 to RM2,076 in 2023 for 25–29year old but still below the pre-pandemic RM2,206 (2019).

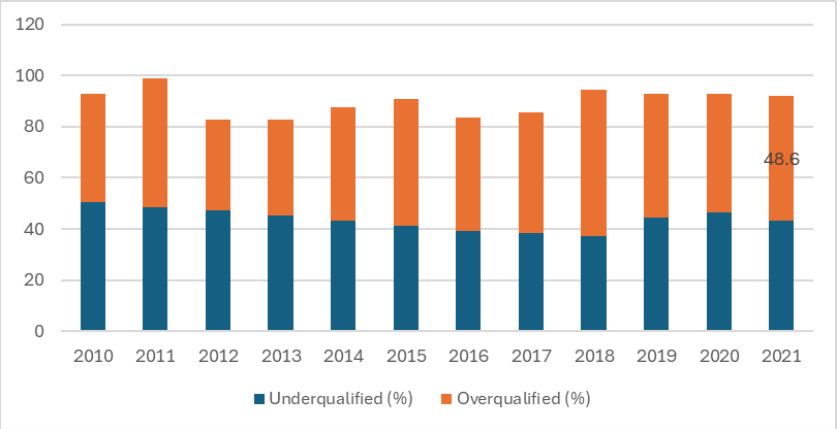

Figure 1.2 Percentage of Malaysian Graduates by Qualification-Job Mismatch, 2010-2021. Adapted from Khazanah Research Institute (KRI) 2024

Underemployment exacerbates wage stagnation. In 2021, 48.6% of Malaysian graduates held jobs mismatched with their qualifications, relegating them to low-paying, semi-skilled roles (KRI, 2024a). This underutilization of human capital depresses earnings and job satisfaction, reducing Employees' Provident Fund (EPF) contributions as critical for retirement savings. EPF mandates 11% employer and 13% employee contributions for those earning ≤RM5,000 annually (EPF, n.d.), yet 90% of under-30s fail to meet basic savings thresholds (RM35,000 by age 30 or RM240,000 by 55). Table 2 illustrates stark disparities: the lowest 10% (D1) of young EPF members save minimally, while the top 10% (D10) accumulate disproportionately higher balances.

Debt accumulation further cripples' financial resilience. Student loans, mortgages, and "buy now, pay later" (BNPL) schemes trap youth in cycles of repayment. Over

50% of Malaysian tertiary students rely on National Higher Education Fund (PTPTN) loans, yet 51.6% of graduates earn <RM2,000 monthly will hindering the repayment (Malay Mail, 2024; KRI, 2024b). Consequently, 60% of PTPTN borrowers default irregularly, with 18% ceasing payments entirely as a "crisis in the making" (WEF, 2019). Meanwhile, Malaysia's Credit Counselling and Debt Management Agency (AKPK) reports RM1.9 billion in debt among 53,000 under-30s, with 28% borrowing for basic needs (Tan, 2024). Financialization's growth has disproportionately burdened low-income households, linking debt to credit score deterioration and long-term instability (KRI, 2024b).

1.2 Problem Statement

Despite the growing importance of financial preparedness, many youths in Malaysia and globally lack sufficient emergency savings (Perbadanan Insurans Deposit Malaysia (PIDM) et al., n.d.). A lack of preparedness can exacerbate the financial difficulties at the times of crisis, resulting in greater stress and reliance on loans (Mad et al., 2024). Even the existing research on the youth's financial behaviour emphasizes the importance of behavioural biases in determining financial decisions; however, little attention has been paid to how these biases in conjunction with characteristics such as social influence, financial literacy, self-control, and income level that will impact the emergency savings.

Social influence, which moulds the saving behaviour through peer pressure, financial comparisons, and social conventions, is a major aspect that influences financial preparedness. Social influence refers to the degree to which a person believes that it is critical for other people to believe that he or she should use the new way. (Gopinath & Narayanamurthy, 2022). However, because the social influence is subjective and generalizes too broadly in financial behaviour research, it is still difficult to measure. There are four kinds of persons who impact financial planning behaviour in terms of subjective norms: those who perceive social

influence from friends, family, peers, and superiors/bosses (Kerdvimaluang & Banjongprasert, 2022). For instance, by imparting financial ideals and information at a young age, parents help children develop sound financial habits that affect their financial literacy as adults. In the meanwhile, students and youths are especially susceptible to social pressure, which has an impact on their spending habits, financial values, and financial decision-making. According to a 2023 Deloitte survey, 25% of UK people aged 18-24 seek financial advice from social media platforms, and 20% have made investments based on these recommendations. However, 33% of this group believe they do not have sufficient information to participate in investment products, showing a discrepancy between knowledge and action ("Young People Turn to Social Media for Financial Guidance", 2023). While negative peer pressure may promote dangerous financial practices, positive pressure can result in improving financial planning.

Youth struggling with self-control are more frequently making impulsive purchases. Low self-control leads to impulsive spending, which directly hinders the ability to accumulate emergency savings. This means they buy things without planning and are driven by their emotions. Such impulsive buying leads to risky financial behaviours, like overspending, not saving enough, and poor financial planning (D'Alessandro & Eastman, 2020b). These habits can leave them unprepared for emergencies, causing financial instability (Wahyuandari et al., 2024). Based on the My Government website, the Government recommended us to have savings for emergency funds at least 10% of the income that you receive every month before spending it in various ways (MyGOV - the Government of Malaysia's Official Portal, n.d.). Research indicates that peer pressure intensifies this impulsiveness, encouraging immediate satisfaction rather than focusing on long-term financial goals (Li, 2020). This makes it difficult for them to save for emergencies and increases their chances of falling into debt and experiencing financial stress. Although impulsive buying is becoming more common among youth, there's not much research on how low self-control and impulsive buying together affect risky financial behaviours, particularly concerning financial preparedness.

Financial preparedness for emergencies is a key element of personal financial stability, yet many youths find it difficult to accumulate sufficient emergency savings. An individual's income level has a big impact on their capacity to save since those with lower incomes frequently prioritize food, rent, and education initially, leaving little money for emergencies. Due to these financial constraints, they are more vulnerable to unanticipated expenses or economic downturns, which frequently forces them to turn to high-interest credit or external financial aid, further compromising their financial stability (Fan & Zhang, 2021). On the other hand, those with higher incomes are typically seen to be better able to save for emergencies. However, their capacity to build up substantial emergency savings may be hampered by behavioural biases, including lifestyle inflation and poor financial planning. Even if they're earning more money, some youth choose to spend it on unnecessary things rather than saving money, which makes them just as susceptible to financial shocks (Owusu et al., 2022). Furthermore, the study of Mokhtar, Dass, Sabri, & Ho shows that the majority of Malaysian youths still do not have the knowledge, understanding or even skill for their long-term financial planning. They are 48.3% of youth still thought that they will rely on EPF that was deducted every month from their income to cover their retirement expenses, while 83.7% were spending more than their income and 62% of the people were thought that the debt can be elevated after passing away (Aziz & Kassim, 2020).

Financial literacy is a skill that can enable individuals to make a well minded financial decision. Financial literacy is surrounded with a variety of knowledge and skills that can influence the financial management decision (Mad et al., 2024). Basic financial skills like budgeting, saving, and debt control are fundamental to managing one's finances effectively (Andarsari & Ningtyas, 2019). In 2022, the OECD surveyed the public to assess their financial knowledge, behaviour, and attitudes regarding financial literacy. From the OECD survey, we can get that based on Malaysia there are 62% of the nation who were in low financial literacy (Securities Commission Malaysia, 2022). Many of the youth still struggle to get financial preparedness particularly by establishing funds for emergencies. According to those youth in the stage of fresh graduate or higher education may fall into immediate consumption to satisfy their entertainment now which was 27% over

the long-term securities for financial preparedness (Moderator, 2016). Other than that, how a person values money is an important factor that influences the knowledge of financial literacy. The ways that the person values the money may lead to development of spending behaviour and spending patterns. This factor will lead to how the person spending their money that's shown by their lifestyle while the one with spending behaviour and pattern will tend to fall into debt without realizing the circumstances that they need to bear (Abdullah, Fazli, & Arif, 2019).

1.3 Research Objectives

1.3.1 General Objectives

To investigate the impact of behavioural biases on youth's financial preparedness, particularly their ability to save and build the emergency savings

1.3.2 Specific Objectives

1. To investigate the impact of financial literacy on youth's financial preparedness, particularly their ability to save and build emergency savings.
2. To investigate the impact of social influences on youth's financial preparedness, particularly their ability to save and build emergency savings.
3. To investigate the impact of self-control on youth's financial preparedness, particularly their ability to save and build emergency savings.
4. To investigate the impact of income level on youth's financial preparedness, particularly their ability to save and build emergency savings.

1.4 Research Questions

1.4.1 General Questions

How does the behavioural biases influence youth's ability to build and maintain emergency savings?

1.4.2 Specific Questions

1. How does financial literacy influence youth's ability to build and maintain emergency savings?
2. How does social influence shape youth's ability to build and maintain emergency savings?
3. How does self-control influence youth's ability to build and maintain emergency savings?
4. How does income level influence youth's ability to build and maintain emergency savings?

1.5 Significance of Study

This study holds significant implications for Youth, policymakers and the workplace as in companies by enhancing the problems between young Malaysians in the critical gaps in financial preparedness. Young people often struggle with budgeting and saving for unexpected events, this study seeks to uncover the range of obstacles they encounter along the way. In Malaysia, the young generation, particularly those aged 18 to 40, has significant financial challenges, such as school debt, poor earnings, and economic uncertainty. These financial demands are amplified by cognitive biases such as present bias, social comparison, and overconfidence, which hinder beneficial financial decision-making. By examining how these behavioural biases impact financial preparation the study emphasises the important need for targeted financial education and the interventions.

On the other hand, this study is also significant as it is going to examine how the social factors and the self-control that influence the saving behaviour, by giving insights that may be used to guide the policies targeted at increasing teenage financial resilience, impulsive buying habits etc. The findings might have an impact on the design of financial literacy programs like restructuring the student loan for university tuition fees PTPTN, government initiatives like most common nowadays "buy now, pay later" (BNPL) features, and companies providing initiative for savings plans. By solving the problems that most youth among Malaysians face such as wages stagnation, underemployment and etc, this research can be promoted as a sign for the policymaker to create more precise labour market policies and that can ensure better preparedness for young people to face financial issues and assure long-term financial stability.

For the workplace as in companies, the study is going to explore how was the company's employer treats their employees' financial well-being to support their habit of saving for emergency funds. As such, the employer-led financial programs like providing savings matching initiatives and financial counselling for the youth

are relatively important due to the company-driven employee giving support to build good habits for saving and saving plan intention for emergency funds. Furthermore, employers also play an important role in creating a responsible financial culture by encouraging peers that spend less on their excessive income instead of saving it for emergency or future needs and employers launching a financial literacy training program for employees to gain knowledge on it. Moreover, the findings for the study suggest that employees having paid for fair wages and proper career development for youth can be ensuring them with sufficient knowledge on financial well-being to save up for emergencies or future needs of using the excessive funds.

1.6 Conclusion

In short, the financial preparedness is an essential component of the long-term stability, however, many young people fail to preserve the emergency reserves owing to a variety of behavioural and socioeconomic variables. The study highlights the importance of behavioural biases, such as present bias and overconfidence, in preventing young people from saving. Furthermore, social pressure and a lack of self-control can intensify impulsive spending, limiting the accumulation of emergency money. Despite the problems created by low salaries and financial constraints, the study reveals that with proper financial education, youth may be empowered to make better financial decisions. By addressing these barriers through targeted interventions, such as improved financial literacy programs and policies that mitigate structural economic constraints, has the potential to improve the Malaysian youth financial resilience and prepare them for a future financial shock. By addressing these barriers through improved financial literacy and policies that tackle behavioural and structural challenges, this study contributes to building a financially resilient generation of Malaysian youth.

CHAPTER 2: LITERATURE REVIEW

2.0 Introduction

Chapter 2 explored how the four independent variables relate to the dependent variable. The dependent variable in this research is financial preparedness for emergency savings, while the independent factors are social influence, financial literacy, self-control, and income level. This literature examines personal financial planning trends and changes, theoretical concepts, and the current level of knowledge. Finally, hypotheses will be proposed to study the relationship between the variables.

2.1 Underlying Theory: The Theory of Planned Behavior (TPB)

The Theory of Planned Behaviour (TPB) posits that human behaviour is influenced by three dominant factors, which include attitude, subjective norms, and perceived behavioural control. Overall, these factors shape a person's intentions and ultimately their behaviours (Ajzen 1991; Madden et al. 1992). Contrarily, control beliefs include analysing both internal and external elements that might deter or promote actions (Ajzen I. &., 2005). Research on financial behaviour, including debt management, investments, and savings, has made substantial use of this theory (Shim et al., 2009; Xiao & O'Neill, 2016).

Attitudes: Financial Literacy and Self-Control

According to Ajzen (1991), attitudes reflect an individual's positive or negative evaluation of a specific behaviour. In the case of financial preparedness, the attitudes we hold will be shaped by financial literacy, which we define as knowledge of financial concepts such as budgeting, interest rates, or emergency funds (Lusardi & Mitchell, 2014), and self-control, which we define as the ability to resist impulse spending going against long-term interests (Tangney et al., 2004). According to Malaysian statistics, 25.18% of bankruptcies among individuals aged 25 to 34 occur, with many of these cases linked to a lack of impulse control and financial literacy (NSTP, 2020). This highlights the significance of these attitudinal aspects. On the other hand, according to Khoirunnisa & Johan (2020), the study aims to study of high school student in Bandung shows that nowadays youth are more willing to spent more on the entertainment which is 21.26% rather than spending on educational purposes as long-term investment, even worst that the students save up of their monthly income are just only 0.88%. This has proven that nowadays youth lack knowledge by ignoring the importance of saving for emergencies.

According to studies, those who are financially knowledgeable are more likely to think that emergency funds are a good idea and, as a result, are more likely to want to save money (Huston, 2010). Similarly, self-control acts to "de-bias" present bias, the tendency to prioritize short-term gain (money now) over long-term gain (money later) (Thaler & Shefrin, 1981). According to a study by Mad et al. (2024), regardless of gender variations, young people who have more self-control are more likely to form consistent saving practices. Moreover, research indicates that even in the face of low salaries, young people who are more self-controlled are more likely to save consistently (Duckworth & Seligman, 2005).

Subjective Norms: Social Influence

According to Ajzen (1991), subjective norms are the perceived social pressure to act in a certain way. Social networks, family, and normative cultures can significantly influence saving behaviours in financial circumstances (Brown & Taylor, 2014). Although parents as family members do not show a significant influence on peers' financial knowledge, attitude or financial behaviour, it does make an impact on peers' influence when parent influence starts to diminish (Zulfaris et al., 2020). For instance, adolescents will use what they have previously learnt when they have access to money, and their parents' influence on matters pertaining to money management will persist until middle or old age (Ameliawati & Setiyani, 2018). During their socialising time, youths are likely to ask and get financial information from their friends in addition to their parents. They frequently spend more time with their peers than with their parents and relatives, particularly while they are not at home. Therefore, social influence may also directly affect people's financial decisions and savings (Looi et al., 2022).

Moreover, Hartono & Isbanah (2022) have further demonstrated that social media exposure and peer comparisons are important in forming financial habits, with people more likely to save when they see their peers doing so. According to Gudmunson and Danes (2011), young people who belong to a social network that emphasises financial prudence, for instance, are more likely to follow practices that lead to emergency savings. However, societal trends have the potential to encourage enculturated consumption, which might compromise financial preparedness (Garrett & James, 2013). Shim et al. (2009) also observed a substantial relationship between parental financial socialisation and college students' savings, emphasising the relevance of intergenerational influence.

Perceived Behavioural Control: Income and Structural Barriers

Perceived behavioural control (PBC) is a person's belief in their ability to perform an action while accounting for both internal and external constraints (Ajzen, 1991). In particular, money and structural obstacles or circumstances, including job stability, create the larger external constraints, whereas financial knowledge and self-control increase internal PBC (Robb & Woodyard, 2011). Young people from low-income families frequently experience a "preparedness paradox," wherein they have a strong desire to save money yet encounter institutional constraints or hurdles (Gjertson, 2016). It has been demonstrated that by increasing internal resourcefulness, even short-term financial education programs may help low-income persons improve their PBC (Bruhn et al., 2016).

According to Priyatharisiny Vasu (2023), 49% of young Malaysians between the ages of 18 and 40 report often using and relying on "buy now, pay later" (BNPL) services for non-essential purchases, which helps to explain why 62% of them lack emergency savings. These actions reveal distorted views about priority financial expenditures as well as inadequate perceived behavioural control, or the inability to save. Additionally, 42% overestimate their ability to repay debt, and 67% live pay cheque to pay cheque (Garreth, 2023). These results demonstrate a significant study vacuum in Malaysia's context of young financial readiness while validating the application of TPB.

2.2 Review of Literature

2.2.1 Dependent variable: Financial Preparedness for emergency savings

The study's dependent variable is emergency financial preparedness, an important measure of an individual's ability to manage unforeseen financial shocks. As considered by Ajzen (1991) in the Theory of Planned Behaviour (TPB), financial preparedness is an important behavioural outcome of intention-based behaviours and has long been an important aspect of financial wellness.

In this study, financial preparedness is examined using TPB, to provide insight into the relationship of attitudes, social norms, and perceived control of emergency savings behaviour among adolescents. Adolescents' financial preparedness refers to their capacity to save money for emergencies, as well as the psychological and developmental context which influences their financial behaviours. The investigation illustrates the challenges that adolescents and emerging adults experience with saving for emergencies, driven by lack of sources of income, their emerging financial independence, and social influences (Drever et al., 2015; Shim et al., 2015).

The importance of this research emphasis is highlighted by recent studies conducted in Malaysia. According to a 2023 survey, 54% of young Malaysians would find it difficult to manage an emergency involving RM1,000, and just 28% had enough funds to cover three months' worth of costs (Yeo, 2024). It is concerning that the majority of Malaysian youths lack emergency savings, and 82% are not financially prepared for maturity (Financial Industry Collective Outreach (FINCO), 2023). Given that they indicate varying emergency savings across Malaysian teenagers, our findings underscore the need for further regional studies.

With that in mind, it is becoming increasingly imperative to examine the financial preparedness of young people. Researchers have investigated how young people view emergency savings in developed countries, such as the United Kingdom (Money and Pensions Service, 2022), however, these studies have not yet been replicated in developing countries, like Malaysia. Therefore, this study aims to contribute to the literature on financial preparedness for youth by exploring Malaysian youth's emergency savings readiness. To do this, the study findings are analysed and discussed using the Theory of Planned Behaviour as a guide.

2.2.2 Independent Variable: Financial literacy

Financial literacy has been widely recognized as a fundamental component of effective financial decision-making. Ajzen (1991) defines financial literacy as the ability to interpret, evaluate, and make informed judgments regarding economic information. It encompasses a broad set of knowledge and skills necessary for managing personal finances, including budgeting, saving, investing, and debt management (Andarsari & Ningtyas, 2019). These competencies enable individuals to navigate complex financial environments and make sound financial choices. Within the framework of the Theory of Planned Behaviour (TPB), financial literacy is identified as a critical factor influencing attitudes toward specific financial behaviours. According to Xiao and O'Neill (2016), individuals with higher levels of financial literacy are better equipped to evaluate the benefits of financial actions, such as building emergency savings. This enhanced understanding contributes to the formation of positive attitudes, which in turn may increase the likelihood of engaging in proactive financial behaviours. Thus, financial literacy not only serves a functional role in financial management but also shapes the psychological determinants of behaviour as proposed by TPB. Higher financial literacy is also linked to better intentions to save money for emergencies, since there is a well-established negative correlation between financial literacy and impulsive financial decision making (Lusardi & Mitchell, 2014).

Since over 73% of Malaysian teenagers owe money as of 2023, there is a pressing need to raise their level of financial literacy and given that just 37% of young adults in Malaysia are able to accurately answer fundamental financial questions, financial literacy initiatives for youth are becoming more and more significant (Zahorsky Paul et al., 2020; Fatihah, 2024). This worrying trend highlights the importance of developing financial literacy and building basic money management skills at an early age. This is since those with less financial literacy would probably face more financial problems (Kadir & Jamaluddin, 2020).

Those who lack financial literacy typically struggle to keep track of their spending. Conversely, those with greater financial literacy make better financial decisions, which raises their financial standing and increases their reserves for unexpected expenses. Research found that a lack of financial knowledge prevents young Malaysians, especially Malaysian students, from saving money from education loans (PTPTN) (Alshebami & Aldhyani, 2022; Gilenko & Chernova, 2021). Mawad et al. (2022) found that financial literacy positively influences individual financial performance and behaviour, particularly in times of economic crisis. Their study highlights the role of financial knowledge in enabling individuals to make informed decisions and maintain financial stability during periods of uncertainty.

Individuals who possess financial literacy are more capable of controlling their risk profile and making prudent financial choices. Consequently, we think that raising young people's financial literacy will enable them to create sound saving practices that will help them deal with financial preparedness, handle their own money, save for retirement, and improve their financial status. This study adapts support to the notion that financial literacy is critical in favourably affecting an individual's saving behaviour, as well as its relationship to the Theory of Planned behaviour (TPB) (Lajuni et al., 2018).

2.2.3 Independent Variable: Social Influence

Social influence is a term applied to how individuals, attitudes, behaviours, and thoughts are shaped by the people surrounding them, including parents, peers, and society in general (Smith et al., 2011). In Theory of Planned Behavior (TPB) by Ajzen (1991), social influence is explicitly connected to the construct of subjective norms, which account for the perceived social pressure to perform or not perform a behaviour. In financial preparedness, youth are likely to form intentions from these social expectations, meaning that their intentions to budget or save are motivated by what they think important others want them to do.

Adolescents are likely to imitate parents' or peer group's financial behaviour and mindset such as parents, friends, or even celebrities on social media. Saving money and financial planning are more likely to be modelled and encouraged frequently in such peer groups, and the younger generation will tend to learn and mimic such actions. Sabri et al. (2023) investigated the impact of financial conduct on financial well-being among Malaysian youths, highlighting a significant relationship between responsible financial behaviours and improved financial outcomes. The study showed that financial socialization, including family and peers, significantly plays a role in financial well-being, emphasizing the importance of social factors in financial behaviour. Besides, there is a study by Sabri and MacDonald (2010) that found that Malaysian university students who had parental financial counselling were more likely to save money and stay out of debt. For instance, when children are engaged in budget discussions by parents or shown regular saving behaviour by the parents, these acts turn into behavioural scripts that children emulate (Tang, 2017).

Shim et al. (2010) also found that socialization to finance at an early age significantly influences financial behaviours among young adults. Their study was eager to point out that conversations on saving, budgeting, and money management while in adolescence are predictive of sound financial outcomes in future.

Furthermore, peers also play an important role; prevailing group norms can encourage positive financial behaviour or lead to unwanted financial decisions, depending on whether saving is perceived to be "normal" or appealing within the peer group. Based on a study conducted by Jamal et al. (2015) on youth in Malaysia, they were more likely to follow in the footsteps of their peers who had better financial habits. Besides, according to Ferah and Sumer (2023), social media promotes financial literacy by making information more accessible, fostering peer-to-peer conversations, and offering a range of investment choices.

2.2.4 Independent Variable: Self-control

According to the Theory of Planned Behaviour (TPB), self-control is a key component of perceived behavioural control, which is the ability to regulate one's impulses in order to accomplish long-term goals (Ajzen, 1991). Self-control is the ability to recognise our own desires, according to Baumeister (2002). It is distinguished by self-control and the ability to postpone gratification. Self-control is essential because it allows us to govern ourselves and find satisfaction in the present moment.

Furthermore, those who possess good self-control can forecast their own sound financial practices based on the future and plan financially for unforeseen circumstances. However, those who are less disciplined in their money management tend to spend more than they save, which ultimately results in a rise in personal debt. This definition leads us to the conclusion that self-control is the capacity to postpone the satisfaction of impulsive activity (Angela et al., 2022).

Alternatively said, self-control is a struggle between satisfaction and personal desire. There are few people that have similar opinions and values. Some people want to spend as much money as they can and enjoy life to the fullest. Conversely, there are

some who aspire to a straightforward and satisfying way of life, where they prudently manage their time and money and save for the future (Suryanti et al., 2021).

According to Ling (2021), self-control refers to the ability to regulate one's thoughts, emotions, and behaviours when confronted with impulses or temptations. Among other things, there is a conflict between "multiple selves," intrapersonal decision inconsistency, or cue-triggered mistakes (Gathergood, 2011). For instance, its results show that the psychological aspects of saving place a strong focus on self-control and the capacity to postpone impulses since they are essential for saving (Otto, 2009). However, Malaysian research by Lim et al. (2011) found that the strength of two opposing factors which are willpower and desire. Both determine an individual's capacity to retain self-control to save and prepare financially for the future.

According to Mawad et al. (2022), people who lack self-control are more prone to make hasty purchases, accumulate debt, and struggle to achieve their long-term financial goals. Likewise, studies by Mallick and Debasish (2021) showed that those with poor self-control were less likely to follow a budget or save automatically, which resulted in a shortage of emergency money. The TPB states that persons who exercise self-control and carry out effective financial cost assessment and budgeting are more likely to make future financial preparations.

2.2.5 Independent Variable: Income level

Income level is another term used to describe the total amount of money earned by a person or family during a given time period (Leite et al., 2024). According to Keynes' (1936) theory on marginal propensity to consume implies, high-income earners are better able to save because they can already satisfy basic needs and still have funds for saving. Income from young people might be derived from part-time work, allowance, scholarship, or early working-life employment.

Youth with greater incomes can feel that they are better able to save money for unforeseen needs. In TPB, perceived control is not just psychological but also grounded in true resources such as time, money, and access to financial products (Ajzen, 2002). Friedline et al. (2013) found that income level was a good predictor of saving behaviour among youth, and individuals in higher income groups were more likely to have access to and be enrolled in savings programs.

Moreover, the level of income directly influences the sustainability of financial preparedness. OECD (2020) notes that increased income allows for discretionary savings and the establishment of emergency funds. Yet, young people with limited or unstable income may not save, even when they are financially literate and well-intentioned. Research by Mohd Daud et al. (2023) showed that youth financial preparedness was adversely influenced by income vulnerability, which also raised financial stress. The Life-Cycle Hypothesis also supports the contention that people make consumption and saving decisions based on lifetime income expectations (Modigliani, 2005). Prudential Malaysia (2024) reported that an overwhelming majority of young Malaysians struggle to build financial resilience, mostly due to low- or unstable-income levels, which consequently impedes their ability for emergency savings. Youth who have higher present income or expected future income can feel more in control to save for unforeseen events, facilitating their perceived behavioural control of financial matters.

2.3 Conceptual Framework

This research adopts an integrative conceptual framework to examine the interplay between behavioural biases, financial literacy, social influence, self-control, and income level in shaping youth financial preparedness, specifically their ability to build and maintain emergency savings. The TPB clarifies the relationship between these variables. It also synthesizes the theory and insights from behavioural economics to analyse the determinants of financial preparedness for emergencies among the Malaysian youth.

According to Ajzen's (1991) TPB, proposes that financial preparedness is driven by three core factors: attitudes (shaped by financial literacy and self-control), subjective norms (social influence from peers, family, and cultural expectations), and perceived behavioural control (influenced by income and structural constraints).

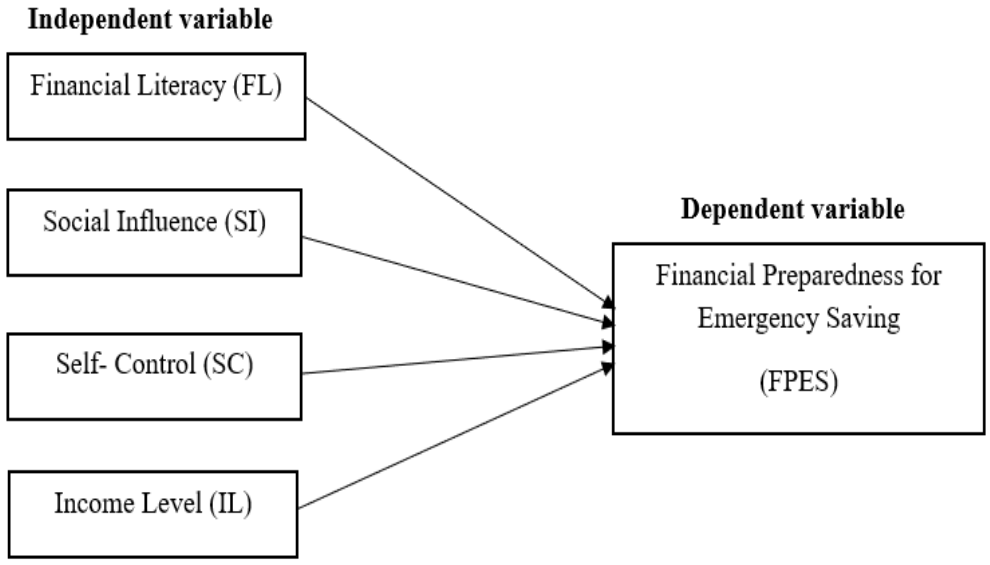

Figure 2.1 Proposed model of theoretical framework. Adapted from Advances in Economics, Business and Management Research, volume 653.

2.4 Hypothesis Development

H1: There is a significant relationship between Financial Literacy and Financial Preparedness for Emergencies among Malaysian youth

A positive correlation between financial preparedness for emergency savings and financial literacy is expected. This is consistent with studies that demonstrate the need for emergency savings is better understood by those with financial literacy (Lusardi & Mitchell, 2014). Additionally, studies show that literacy reduces impulsive spending, enabling consistent savings (Xiao & O'Neill, 2016). Young individuals with greater financial literacy will thus maintain larger emergency savings.

H2: There is a significant relationship between Social Influence and Financial Preparedness for Emergencies among Malaysian youth

Social influence is expected to significantly positively correlate with financial preparation among the youth in this study. How people save money is significantly influenced by family and peer norms (Shim et al., 2015). Furthermore, research indicates that when financial stability is highly valued by their social networks, young people are more likely to save (Gudmunson & Danes, 2011). Therefore, youth will be better prepared if they think that emergency savings are acceptable.

H3: There is a significant relationship between Self-Control and Financial Preparedness for Emergencies among Malaysian youth

Financial preparedness and self-control are expected to be strongly positively correlated. Research shows that young people who are more self-reliant avoid current bias while making financial decisions (Baumeister, 2002). According to

studies, those who lack self-control frequently squander and have trouble conserving money (Mawad et al., 2022). Teenagers that are more disciplined will thus maintain their emergency funds better.

H4: There is a significant relationship between Income level and Financial Preparedness for Emergencies among Malaysian youth

For low-income youths, the planned-behavior relationship is anticipated to be weakened by income. Despite good intentions, structural limitations such as inconsistent incomes hinder the ability to save (Gjertson, 2016). Only 19% of young people with low incomes turn their savings intentions into action, according to research (FINRA, 2023). Therefore, more revenue will improve the conversion of intentions into preparedness.

2.5 Gap of Literature Review

Despite rising concerns over the financial well-being of young people, direct empirical evidence of youth financial preparedness, particularly in the area of emergency savings, remains scarce, especially in developing countries such as Malaysia. Most existing research has specifically addressed financial behavior and literacy (Lusardi & Mitchell, 2014; Xiao & O'Neil, 2016), while empirical research on emergency savings behavior among youth remains to gain popularity. While organizations such as the Money and Pensions Service (2022) have initiated youth savings behavior studies in developed economies like the United Kingdom, those findings are not easily transferable to Malaysia due to differences in socio-economic systems, values, and levels of exposure to financial education.

There is a major gap in understanding the combined influence of psychological and behavioral aspects on Malaysian young people's financial preparedness such as social norms, financial attitudes, and personal traits. The Theory of Planned Behavior (Ajzen, 1991) gives a good framework to look at these behavioral consequences, yet studies that consider all Theory of Planned Behavior (TPB) factors (subjective norms, perceived behavioral control, and attitudes) for emergency savings behavior among Malaysian adolescents are scarce. Although prior research by Shim et al. (2010) and Drever et al. (2015) has underscored the impact of early financial socialization on long-term saving behaviour, the applicability of these findings to Malaysian youth remains limited, given the distinct socio-economic context and cultural norms in Malaysia.

Besides, variables such as social influence, financial literacy, self-control, and income level have already been investigated as singular measures but were not applied altogether in the system to see how they are interrelated with the emergency saving. For example, despite that financial literacy has been widely cited as determining good financial decision-making (Lusardi & Mitchell, 2014; Kadir & Jamaluddin, 2020), Malaysian research shows that only 37% of youths can answer basic financial questions correctly (Zahorsky Paul et al., 2020). This suggests that there exists some gap in theoretical understanding and application in the Malaysian scenario that remains yet to be extensively researched.

Moreover, self-control, an important determinant of saving behavior and gratification delay (Baumeister, 2002; Otto, 2009), is also under-represented in current local youth-oriented financial studies. Although a study by Lim et al. (2011) touched on the struggle between desire and willingness among Malaysian youths, the question was not specifically aimed at emergency savings or personal financial preparedness.

In addition, the role of income level, whether derived from part-time work, scholarships, or family allowance has not been explored in depth in Malaysian

studies of perceived behavioural control and saving capability. Studies like Friedline et al. (2013) and OECD (2020) indicate income as a determinant savings enrolment, but local studies applying these models to young Malaysians are few.

This study addresses these gaps by focusing on Malaysian youth, integrating financial preparedness for emergencies and Theory of Planned Behavior (TPB), and examining the income moderating effect. It also examines social influence in the era of digitalization and moderating the role of financial literacy on self-control. Thus, the study provides a more extensive explanation of financial preparedness in the context of a developing economy, with practical implications for policymakers, educators, and financial institutions interested in promoting youth financial resilience.

2.6 Conclusion

To summarise, this chapter has examined prior research related to financial readiness for crises as the dependent variable, alongside the exploration of four independent variables: social influence, financial literacy, self-control, and income level, all of which are theorised to impact youth financial behaviours. The theory of planned behaviour (TPB) explains the link between these factors. This hypothesis is grounded in the theoretical foundation of the Theory of Planned Behaviour (TPB), which suggests that behavioural intentions are shaped by attitudes, subjective norms (social influence), and perceived behavioural control (self-control and financial literacy). In this context, it is hypothesized that social influence, financial literacy, and self-control positively affect financial preparedness, while income level moderates the strength of the relationship between intention and actual saving behaviour for emergencies. The study approach is thoroughly detailed in Chapter 3.

CHAPTER 3: METHODOLOGY

3.0 Introduction

In this chapter 3, there will be discussion about the research methodology that was used to investigate the impact of behavioural biases on youth financial preparedness by examining the personal financial planning for emergency savings. In this chapter, it would be covered for research design for readers to gain a brief knowledge by the explanation on it, data collection methods that had been used to collect the data, sampling techniques, data analysis tools and ethical considerations. The chosen methodology methods are targeted to obtain accurate and reliable research questions. The fundamental goal of this study is to guarantee that it is done methodically and thoroughly in order to produce accurate and valid data.

3.1 Research Design

Research design serves a purpose to deliver a well-structured framework for the study. It is a very important decision to be made in the process of research design due to the research approach that concludes significant crucial information for the study to be able to be obtained (Sileyew, 2019). A research design would present the main intention of the study area and is to prevent the disturbance of gathering the researcher with the well-structured framework work together by demanding to solve the research questions (Asenahabi, 2019).

This study uses a quantitative research design. Quantitative research collects numerical data that may be statistically examined to reveal patterns and correlations between those variables. A structured questionnaire-based survey approach was used because it allows us to collect a high number of respondents in a short period of time (Kuphanga & ActionAid International, 2024). This methodology is appropriate for the study's aims which are to investigate the impact of the financial literacy, social influence, self-control, and income level on the youth's financial preparedness.

3.2 Data Collection Method

This investigation employed a primary data collection address consisting of quantitative survey instruments to collect original information from participants. Quantitative surveys are an advantageous research approach regarding behaviours and attitudes because they provide responses to standard responses, better statistical comparison, and can help predict findings about a large audience (Kabir, 2016; Lim, 2024).

This study generated use of a standardised questionnaire that was delivered by the participants themselves. The organised questionnaire was sent online via a link or by accessing the survey form using popular social media and contact channels such as Gmail, WhatsApp, Instagram, Facebook, and the Red Note App. This method was used because much of the youth population in Malaysia aged 18 to 40 years prefers online engagement (Zainudin et al., 2023). Furthermore, a self-administered structured questionnaire containing closed-ended items was utilised. For closed-ended questions, it able to made statistical analysis simpler (Otebele, 2022). Besides, it was completely conducted via Google Forms by using online platforms, offering time and cost efficiency, broader geographic reach, and greater accessibility. Online data collection also reduces the risk of losing data and facilitates the transfer to a centralized database (Lefever et al., 2006b). As the target population comprises

digitally active youth, this method effectively increased response rates and allowed participants to complete the survey at their convenience.

3.2.1 Ethical Considerations and Informed Consent

Respondents were given an introductory statement explaining the study before starting the survey. The information outlined the reasons for the study, the voluntary nature of the study, and the protections of confidentiality that the respondents had if they participated in the survey. Hence, it allowed the main goal to obtain informed consent.

Moreover, participants were informed that no personal identifiers were required and that their responses would be used strictly for academic purposes. This ethical approach ensured that the data collected was trustworthy, anonymous, and respectful of the respondents' privacy, reflecting genuine attitudes toward financial preparedness for emergencies.

3.3 Design of Sampling

This section details the target population, geographical scope, sampling technique, and sample size of the study. Primary data will be employed to effectively address the research questions and objectives established in Chapter 1.

3.3.1 Target Population

Target demographic for this research is Malaysian youth aged 18 to 40 who are either in higher education or beginning their first career (Yunus & Universiti Malaya, n.d.). This age group was chosen because they are going through a crucial developmental transitional period in their lives of moving from reliance or dependence on others to being in a position where they are financially independent, thus making financial behaviours, decision-making, and preparedness for emergencies particularly meaningful (Rubin et al., 2024).

In Malaysia, according to the Age of Majority Act 1971, anyone aged 18 and over is considered an adult and therefore can enter financial contracts such as opening bank accounts, applying for loans, and managing savings on their own (Hashim & Dusuki, 2023). This offers an appealing legal and realistic justification for choosing 18 as the study's minimum age.

In addition, behavioural factors like income level, social influence, self-control, and financial literacy are best examined in this age group. Examining the way these factors affect their financial readiness as they start to develop long-term financial habits provides important information about their capacity to accumulate and manage emergency savings.

3.3.2 Sampling Frame and Sampling Location

This study's sampling frame includes Malaysian youth aged 18 to 40, encompassing individuals who are either pursuing tertiary education or have recently commenced employment, regardless of whether they are working full-time or part-time. This demographic is considered relevant for examining financial preparedness and

saving behaviours in the early stages of adulthood. This segment of the population is appropriate in this study because they are beginning to take control and start managing their finances, which encompasses the essence of this study as it relates to financial preparedness (Xiao et al., 2014).

The sampling location will be chosen from Malaysia's major urban and semi-urban areas, including, but not limited to, Selangor, Penang, Perak, Kelantan, and Johor which have greater access to job opportunities and higher education institutions (Tan et al., 2011). All these cities offer the pool of potential students and young professionals who live in the urban environment. The sample is expected to include individuals from a wide range of socioeconomic and educational backgrounds, thereby contributing unique insights and enhancing the comprehensiveness of the study's findings.

3.3.3 Sampling Technique

This research study used simple random sampling techniques to select respondents from the target population. Random sampling is a probability-based sampling strategy that assumes that individuals picked at random from the targeted group, Malaysian young aged 18 to 40, have an equal and independent chance of being chosen. By using random sampling, the researcher can reduce selection bias, provide greater objectivity, and enhance the researcher's ability to generalize the research results to Malaysian youth (Noor et al., 2022).

A random sampling technique was employed to select participants from among eligible respondents. Recruitment was conducted through multiple online platforms, such as email, WhatsApp, Instagram, and Facebook, to ensure broad outreach and accessibility. The randomly chosen nature aims to obtain a diverse sample from a range of different educational and career backgrounds while allowing for objective

statistical analysis of the relationship between behavioural biases and financial preparedness.

3.3.4 Sampling Size

Table 3.1 Population of Youths in Malaysia

Age Range	Population ('000)
18 - 19	1,090.0
20 - 24	3,157.1
25 - 29	3,036.7
30	591.2
40	521.6
Total	**13,618.0**

Note: Ministry of Economy Department of Statistics Malaysia (2024)

Table 3.2 Krejcie and Morgan's Sample Size Table

Population Size (N)	Sampling Size (S)
10000	370
15000	375
20000	377
30000	379
40000	380
50000	381
75000	382
1000000	384

Note: Krejcie, R. V., & Morgan, D. W. (1970). Determining sample size for research activities. Educational and Psychological Measurement, 30(3), 607–610

Determining an appropriate sample size is essential to ensure the validity and reliability of the study's findings. This study adopts the widely accepted methodology proposed by Krejcie and Morgan (1970), which provides a formula to determine the required sample size based on a given population size. According to the most recent population data released by the Department of Statistics Malaysia (2024), there are approximately 13.62 million Malaysians between the ages of 18 and 40, which constitutes the study's target population (see Table 1.1). Referring to the Krejcie and Morgan sample size table (see Table 1.2), a minimum of 384 respondents is required to achieve statistically significant results for a population of

this size. Moreover, this study has set a target of 384 respondents in order to provide more robust analysis and account for non-response. The larger sample size will provide more accurate parameter estimates, more thorough subgroup analysis, and improved generalizability of our findings on behavioural biases (social influence, financial literacy, self-control, and income level) impacting financial preparedness of Malaysian youth. The chosen sample adheres to the established research standard but is practical as it relates to data collection based on our designed methodology.

3.4 Research Framework

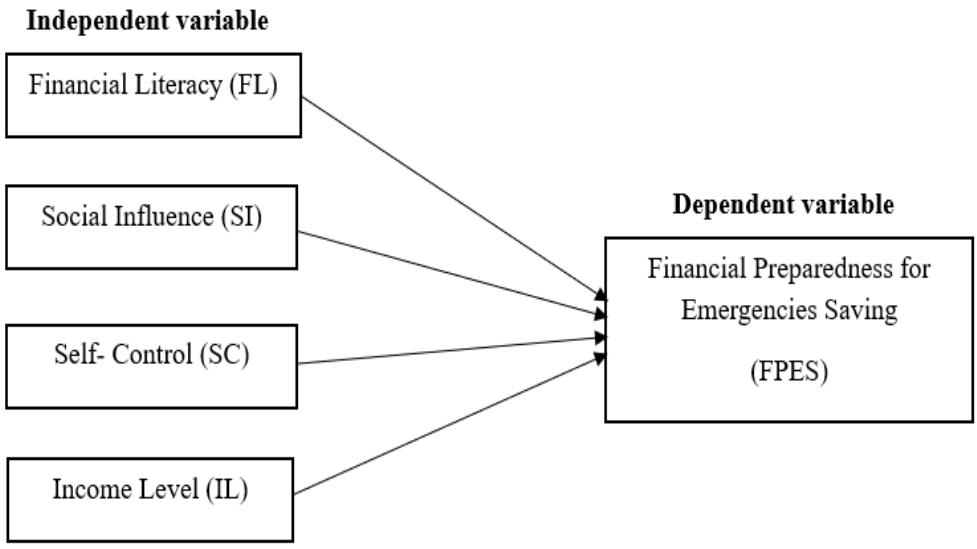

Figure 3.1 Proposed Model for the Research Framework. Adapted from Advances in Economics, Business and Management Research, volume 653.

3.5 Research Instrument

3.5.1 Questionnaire design

The study employs a well-structured questionnaire for the respondents to answer some questions regarding the whole research purpose. The data will be collected as a primary data on the behavioural biases and the impact on financial preparedness among youth for emergency funds. Within the survey, there will be a total of 6 sections. Section A which includes the demographic profile (Age, Gender, Educational level, and Monthly Income in addition, Sections B through F are designed to capture data related to the study's key constructs. These include the dependent variable, financial preparedness for emergencies, and the independent variables: social influence, financial literacy, self-control, and income level. There will be a sum of 35 questions between section B to section F while each section contains 7 questions.

3.5.2 Variable Measurement

This section will detail the measurement of the study's variables, which include the dependent and independent variables. These factors are quantified using a combination of Likert-scale questions and categorical measurements (Joshi et al., 2015).

Table 3.3 ***5-Point Likert Scale***

Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
1	2	3	4	5

Note: Journal of Adult Education

It is tested using seven Likert-scale questions (Section B) that assess behaviours such as emergency savings, budgeting, and perceived financial preparedness. Replies are anchored on a 5-point scale (1 = Strongly Disagree, 5 = Strongly Agree), and composite scores are calculated by averaging replies. For example, the statement "I have a dedicated emergency fund that can cover at least three months of expenses" directly reflects readiness levels. Regarding independent variables, Social Influence (Section C) investigates how peers, family, and society norms influence financial decisions. Seven Likert-scale statements, such as "My friends' spending habits affect my ability to save for emergencies," assess external influences on financial behaviour. Financial Literacy (Section D) assesses understanding of financial topics such as interest rates and debt management using seven Likert-scale questions (for example, "I understand how compound interest affects my savings over time"). Self-Control (Section E), which assesses impulsivity and discipline, uses seven reverse-coded items (e.g., "I often struggle to resist buying non-essential items") to assess inclinations towards delayed gratification. Income Level, a demographic variable (Section A), is collected ordinarily using categorical income ranges (e.g., below RM2,000; RM2,001-RM4,000), which are then translated to numerical values for analysis. Quantitative data from Likert-scale replies (Sections B-F) are combined into composite scores, while income categories are examined ordinarily. This quantitative approach offers a thorough evaluation of behavioral biases and their impact on financial readiness through the integration of structured survey data across multiple dimensions.

3.6 Pilot Test

A pilot test was conducted prior to the main data collection phase to evaluate the validity, reliability, and practicality of the survey instrument (Khanal & Chhetri, 2024). The "pilot studies" are a small-scale version of large-scale research projects that include the initial assessment of a specific research tool, such as a questionnaire or interview guide. Every research effort begins with a pilot test to ensure validity is attained (Schommer, J.C., 1995). When we are going to determine the study, it was recommended that we use 10% of the sample size (Lackey & Wingate, 1998). Since this study has set a target for 384 respondents (3.3.4 sampling size), to provide more robust analysis and account for non-response, means that sample size of 30 questionnaires is required for the test. Finally, the pilot test validated the research design and confirmed the viability of sampling tactics and data collection procedures, ensuring the study's correctness and validity.

3.6.1 Pre-test

After conducting a preliminary evaluation of the questionnaire, a pilot test was implemented based on Browne's recommendation, as referenced by Whitehead et al. (2016), which suggests that a minimum of 30 participants is appropriate for improving the instrument's clarity, reliability, and representativeness prior to full-scale data collection. The decision to increase the pilot sample size to 30 people aims to improve the generalisability of the results. Participants were recruited using the sample procedures described in Section 3.3.

Table 3.4 Cronbach's Alpha Result for Pilot test

Type of Variable	Variable	Cronbach's Alpha	No of Item	Results of Reliability	Sources
Dependent Variable	Financial Preparedness for Emergency Savings (FPES)	0.921	7	Excellent	(Cong & Feng, 2021; Ratcliffe et al., 2022)
Independent Variable 1	Financial Literacy (FL)	0.930	7	Excellent	(Alshebami & Aldhyani, 2022; Haws et al, 2012)
Independent Variable 2	Social Influence (SI)	0.883	7	Good	(Koh et al., 2024; Chai et al., 2024)
Independent Variable 3	Self-Control (SC)	0.973	7	Excellent	(Chai et al., 2012; Alshebami & Aldhyani, 2022)
Independent Variable 4	Income Level (IL)	0.958	7	Excellent	(Yu et al., 2022; Chai et al., 2012)

A pilot study was conducted involving 30 Malaysian youths aged between 18 and 40 years who possessed basic knowledge and experience in financial planning. The objective of the pilot test was to evaluate the effectiveness and consistency of the research instrument. Data were collected using a standardized Google Form

questionnaire, designed to be completed within approximately 10 minutes. To assess the internal consistency of the instrument, Cronbach's alpha was calculated, which is a widely accepted indicator of internal reliability (Schrepp, 2020). As shown in Table 3.1, the Cronbach's alpha values for all constructs ranged from **0.883 to 0.973**, indicating an acceptable to excellent level of reliability. Specifically, **Financial Preparedness for Emergency Savings (FPES)** scored 0.921, **Financial Literacy (FL)** 0.930, **Social Influence (SI)** 0.883, **Self-Control (SC)** 0.973, and **Income Level (IL)** 0.958. These values are well above the acceptable threshold of 0.70, indicating strong internal consistency. According to Lakens (2022), values above 0.70 are deemed acceptable for social science research, while those above 0.90 reflect excellent reliability. Therefore, the findings confirm that the questionnaire is a reliable instrument for measuring the variables of interest and is suitable for use in the main study. A detailed summary of the reliability test results is provided in the Appendix.

3.7 Data Analysis

Data analysis will be performed using SPSS software. Descriptive statistics, including measures of central tendency and frequency distributions, will be used to provide an overview of participants' demographic profiles and the main constructs under investigation. Next, assumption checks (normality, variance equality) will confirm that the data is appropriate for advanced testing. Correlation, t-tests, ANOVA, and regression are examples of inferential statistics that are used to investigate connections, group differences, and prediction patterns. A reliability analysis (Cronbach's alpha) will establish survey consistency.

Relevant metrics include p-values (statistical significance), confidence intervals (effect precision), and R^2 (model fit). Qualitative input (if any) will be categorised thematically for recurring concepts.

The results will be evaluated to answer research questions by connecting statistical findings (e.g., regression outcomes, group differences) to objectives. SPSS's tools will enable reliable and reproducible analysis, allowing for evidence-based decisions.

3.7.1 Descriptive analysis

As noted by Kaliyadan and Kulkarni (2019), descriptive analysis is utilised to present an overview of the demographic and behavioural traits of the sample 384 Malaysian youths aged 18 to 40, without applying inferential statistics grounded in probability theory. This approach offers a clear and direct summary of the dataset. The data was collected through online questionnaires that are distributed across Google Forms, and social media platforms. With the help of descriptive data

statistics, which contains means, mode, and standard deviations outlined the central tendency of variability of responses (Yellapu, 2018). In the most common ways, quantitative data were presented by descriptive statistics that highlighted the raw data collected in the simplest form in terms of percentage or on average (M.K, 2020). For instance, the financial preparedness was accessed by using average scoring of five scoring in 5-point Likert scale, while income level categorized in terms of percentage analysis.

3.7.2 Reliability Test

The reliability of the research instrument was assessed using Cronbach's Alpha, a widely accepted statistical method for evaluating the internal consistency of multiitem constructs. This method determines the degree to which items within a scale are correlated, thereby reflecting the extent to which they measure the same underlying construct (Tavakol & Dennick, 2011).

In accordance with Whitehead et al.'s (2016) recommendations, a pilot study of 30 participants was undertaken to examine the instrument's reliability. The selected respondents, aged 18 to 40, had appropriate knowledge and expertise in personal financial planning, which corresponded to the study's target group.

The results of the reliability analysis yielded Cronbach's Alpha values ranging from 0.883 to 0.932 across all measured constructs. Although a value of 0.80 and above is commonly regarded as ideal (Nunnally & Bernstein, 1994), values exceeding 0.70 are generally considered acceptable for exploratory research (Hair et al., 2010). Furthermore, Lakens (2022) suggests that reliability values within this range can still be interpreted as reflecting strong internal consistency, particularly in the context of social science research where measurement error is anticipated.

These findings indicate that the measurement scales employed in this study demonstrate satisfactory reliability and are appropriate for use in subsequent data collection phases. The detailed results of the reliability test are presented in Appendix below.

3.7.3 Normality Test

The normality test used to determine if the data for each variable in the research were roughly normally distributed, which is required for parametric statistical analyses like multiple regression. Normality is an important assumption that assures the validity and robustness of inferential statistics. (Mishra et al., 2019). Before conducting a parametric statistical test such as Multiple Regression Analysis, it is crucial to ensure that the dataset meets the assumptions that are normally distributed. Normality might refer to the distribution of dataset for each independent or dependent variable which generates an ideally bell-shaped (Field, 2024).

There are two methods to analyze normality which are Skewness and Kurtosis value and Shapiro-Wik test. First, Skewness and Kurtosis statistics were used to measure whether the dataset had met the assumption of normality. According to researchers, the skewness value should lie between the range of -3 and 3 while Kurtosis value lies between the range of -10 to 10 that indicates the distribution is roughly normal (Demir, 2022). For Skewness is being measured the asymmetric of the data distribution, on the other hand Kurtosis is being measured the tailedness of the distribution or the shape of the distribution (Hatam et al., 2022).

Moreover, the normality of the data was inspected by implementing normal Q - Q plot, which is comparing the graphical method of distribution with the sample data to theoretical normal distribution. In this method, if the data signal falls roughly

along a straight horizontal line, it indicates that the dataset is normally distributed (Zubir et al., 2018).

3.7.4 Multiple Regression Analysis

This study utilised multiple regression analysis to investigate the extent to which the independent variables—social influence, financial literacy, self-control, and income level—predict the dependent variable, financial preparedness for emergency savings. This method enables the simultaneous evaluation of multiple predictors and their individual contributions to the outcome variable. This statistical technique is appropriate when the goal is to predict the value of a single continuous dependent variable based on two or more independent variables (Hair et al., 2010). It also enables researchers to determine the relative importance of each predictor variable while accounting for the impact of the others.

In the context of this research, multiple regression was used to determine the extent to which financial literacy, peer influence, self-control, and income level (independent variables) influence saving intention (dependent variable) among Gen-Z individuals. This analysis provides insight into the strength, direction, and statistical significance of each predictor's relationship with saving intention.

Prior to getting the regression analysis, numerous regression assumptions such as normality, linearity, homoscedasticity, error independence, and the lack of multicollinearity were evaluated to confirm the model's validity. To discover possible multicollinearity concerns, Variance Inflation Factor (VIF) values were analysed; VIF values less than 5 indicated no substantial concern (Kutner et al., 2005).

The results of the multiple regression analysis are presented in Chapter 4 and include standardized beta coefficients, R-squared values, and significance levels (p-values), which collectively provide a comprehensive understanding of the predictive power and explanatory strength of the model.

3.7.5 Multicollinearity

Multicollinearity occurs when two or more independent variables in a regression model are strongly correlated, which can distort the estimated connections and reduce the interpretability of the regression coefficients. (Kyriazos & Poga, 2023). Therefore, it is essential to assess multicollinearity to ensure the reliability and stability of the multiple regression model used in this study.

Multicollinearity was evaluated using two standard diagnostic measures: the Variance Inflation Factor (VIF) and Tolerance values. These statistics are commonly used to identify the presence of linear correlations among independent variables that may compromise the stability and interpretability of regression coefficients. According to Marcoulides and Raykov (2018), VIF values above 5 indicate a potential multicollinearity issue, whereas tolerance levels less than 0.20 imply a significant degree of shared variation among predictors.

All independent variables, financial literacy, peer influence, self-control, and income were tested for multicollinearity. The pretest had shown that all VIF values were far lower than the critical threshold of 5, while tolerance values above 0.20, showing that multicollinearity was not an issue. As a result, the assumptions of predictor variable independence were fulfilled, indicating that the regression estimations are legitimate.

3.7.6 Inferential Analysis

Inferential analysis is a collection of statistics that allows you to draw inferences or make predictions about a broad population using data from a sample. In contrast with descriptive analysis, where it summarizes the raw data that had been collected but inferential analysis helps to generate relationships and confidence intervals and regression analysis (Gravetter & Wallnau, 2017). According to Amrhein et al. (2019), the sample dataset collected is used to finalize the broader population. With data collected from 384 Malaysian youths across different regions, this study investigates how behavioural biases influence financial preparedness. Pearson's correlation coefficient was used to analyse the linear relationships between the dependent variable, Financial Preparedness for Emergency Savings (FPES), and the four independent variables: Self-Control (SC), Financial Literacy (FL), Social Influence (SI), and Income Level (IL).

The linear relationship between two continuous variables is measured by the Pearson's correlation coefficient (r), which yields values between -1 and +1 (Schober et al., 2018). A positive value indicates that one variable increase while the other also increases. Conversely, a negative value indicates that one variable increase while the other decreases. Therefore, values close to zero indicate that there is almost no linear relationship. The following criteria are used to assess the correlation strength in this study: 0.00–0.19 stands for very weak, 0.20–0.39 for weak, 0.40–0.59 for moderate, 0.60–0.79 for strong, and 0.80–1.00 for very strong (Mukaka, 2012). By using SPSS software, this study's analysis showed a significance level of $p < 0.05$, meaning that there is less than a 5% possibility that this link happened by accident (Gogtay & Thatte, 2017). Pearson's correlation coefficient is commonly employed in behavioural and financial research to assess the linear association between variables. In the context of this study, it is particularly useful for analysing the relationships between psychological constructs, financial literacy, and financial preparedness (Benesty et al., 2009).

3.8 Conclusion

Thus, this chapter has presented a comprehensive overview of the methodological framework adopted in this study. It covered the research design, sampling procedures, data collection approach, development and testing of the research instrument, and the statistical techniques used for data analysis. Each methodology was carefully matched to the study's objectives. The study shows how the data were collected and how the data were performed with the researcher's study by securing the soundness and validity. Ultimately, the methodology serves as a backbone for the study that plays an important role in the whole research project since it conducts a result from the raw data collected from respondents in a variety of answers and transforms into valuable insight for the researcher to examine and draw well supported conclusions for the analysed data based on the targeted population.

CHAPTER 4: DATA ANALYSIS

4.0 Introduction

This chapter represents the findings from the analysis of collected data from our survey regarding the impact of behavioural biases on youth's financial preparedness for emergencies. It includes descriptive statistics, reliability testing, normality assessment, and multiple regression analysis. The analysis was performed using SPSS software.

4.1 Descriptive analysis

Out of the 473 questionnaires distributed, only 384 were deemed valid after the removal of incomplete or inconsistent responses. This yields a usable response rate of 81.18%, which is considered acceptable for social science research.

4.1.1 Demographic Profile

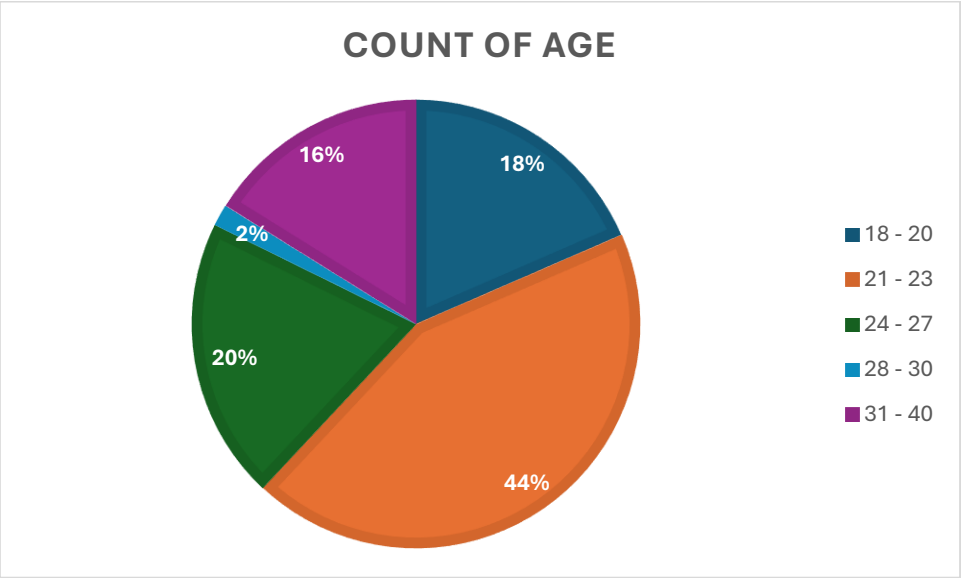

Figure 4.1 Count of Age

Regarding to the study, **figure 4.1** shown that is the age distribution of the responders. Most responses **(44%) are between the ages of 21 and 23**, followed by a**ged 18-20 which is 18%**, and **aged 24-27 which is 20%**. A smaller proportion of the respondents are aged **28-30, which is 2**%, and **aged 31-40, which is 16%**. This indicates that most of the sample comprises youth in their early 20s, aligned well with the targeted youth demographic of this study.

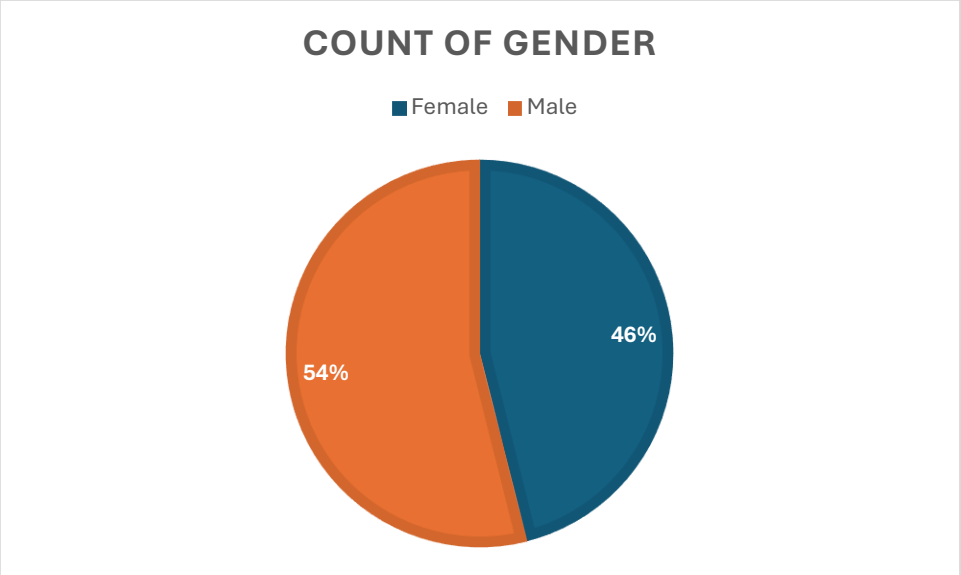

Figure 4.2 Count of Gender

As shown in **Figure 4.2**, **54% of the respondents were male and 46% were female**. This suggests a higher participation rate among female youths, which may reflect greater interest or engagement in topics related to financial preparedness.

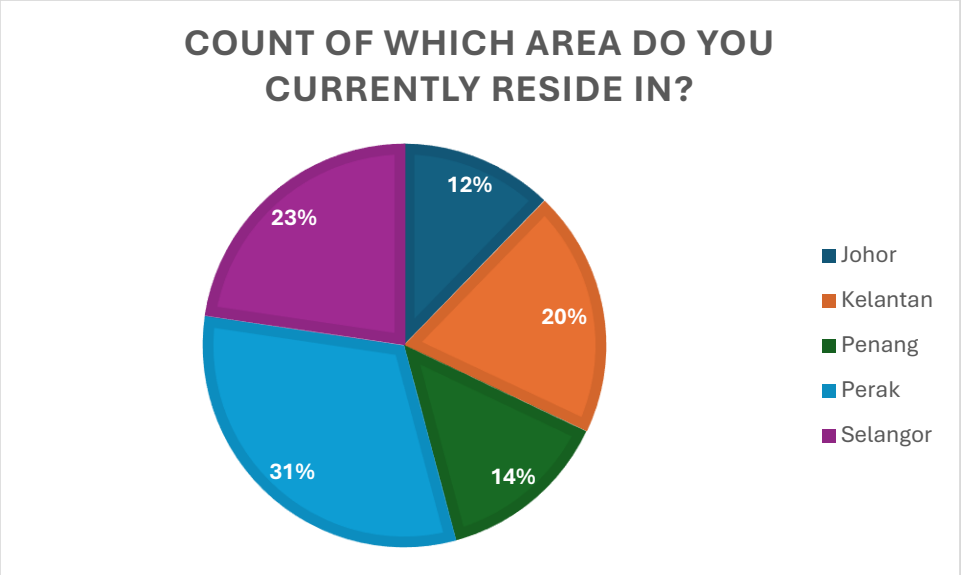

Figure 4.3 Count of Area

Figure 4.3 shows the geographic distribution of respondents. The highest proportion reside in Perak, which is 31% followed by Selangor 23%, Kelantan 20%, Penang 14%, and Johor 12%. This regional spread provides a diverse representation of youth across Malaysia.

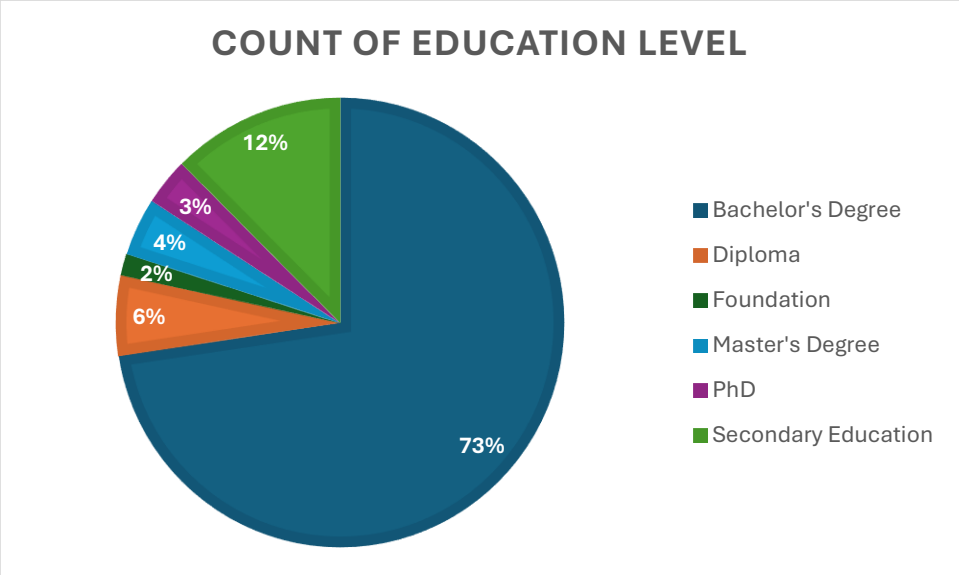

Figure 4.4 Count of Education Level

Based on the figure 4.4, most respondents 73% are holding a Bachelor of Degree, followed by Secondary Education 12%, then diploma 6%, and a smaller group of master's degree 4%, PHD 3%, and Foundation 2%. This reflects the sample consist largely of well-educated youth, which may influence their financial literacy levels.

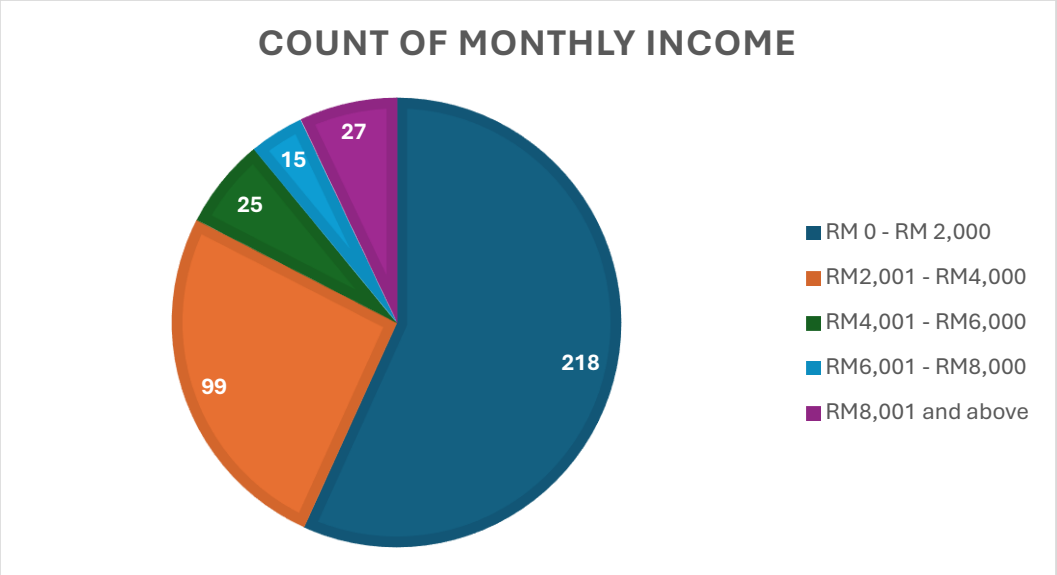

Figure 4.5 Count of Monthly Income

Figure 4.5 shows that the majority of respondents (218) earn between RM0–RM2,000 monthly, followed by 99 respondents in the RM2,001–RM4,000 range. Fewer respondents reported incomes between RM4,001 and RM8,000, and only 27 earn above RM8,001. This indicates that most participants are low to middle-income earners, which may affect their ability to save for emergencies.

4.1.2 Central Tendencies and Dispersion Measurement of Constructs

Descriptive statistics were employed to analyse both the independent and dependent variables. This analysis emphasises two fundamental measures: the mean, which indicates central tendency, and the standard deviation, which reflects the degree of variability within the data.

Table 4.1 Central Tendencies Measurement

Type of Variable	Name of Variable	Sample Size, N	Mean	Standard Deviation	Mean Ranking	Standard Deviation Ranking
Dependent Variable	Financial Preparedness for Emergency Savings (FPES)	384	4.3	0.5682	1	1
Independent Variable 1	Financial Literacy (FL)	384	4.3	0.6388	2	4
Independent Variable 2	Social Influence (SI)	384	4.2	0.6264	4	3
Independent Variable 3	Self-Control (SC)	384	4	1.0428	5	5
Independent Variable 4	Income Level (IL)	384	4.2	0.6096	3	2

Note: Table 4.1 presents the descriptive statistics for the dependent and independent variables, including the mean and standard deviation for each construct.

Among all the variables examined, the dependent variable—Financial Preparedness for Emergency Savings (FPES)—exhibited the highest mean value (M = 4.2943), suggesting a strong overall preparedness among respondents. It also demonstrated the lowest standard deviation (SD = 0.56823), indicating a high level of consistency in responses across the sample. This indicates that, on average, youth respondents demonstrate a high level of financial preparedness with relatively consistent responses.

Among the independent variables, Financial Literacy (FL) (mean = 4.2924) is closely behind FPES, ranked second, and thus many respondents suggested they thought of themselves as financially literate. However, FL has the highest (SD = 0.63884) and is therefore ranked fourth for agreement, which would imply a lot more variability in more subjective perceptions.

Income Level (IL) is ranked third (mean = 4.2199), has a low (SD = 0.60957) second-ranked agreement, and would suggest that responses on average were moderately high, but also there is relatively stronger agreement among participants.

With a mean score of 4.2124, Social Influence (SI) is ranked fourth among the measured variables. However, it has the third highest standard deviation (SD = 0.62641), suggesting a moderate level of variability in respondents' perceptions and levels of agreement regarding this construct. This would imply a moderate perception of adjusted peer/societal influence towards financial preparedness, and while the responses appear moderate, there are comparatively consistent responses.

Lastly, Self-Control (SC), the lowest mean (SC mean = 4.0283) ranked fifth, had the highest (SD = 1.04278) and ranked fifth in agreement of all five independent variables. SC is the most varied agreement and the least positively perceived potential trait among the respondents.

In conclusion, FPES has the highest perceived consistency and positive, SC indicates the highest variability; SC might represent a potential need for personal financial planning intervention.

4.2 Scale Measurement

4.2.1 Reliability Test

Table 4.2 Cronbach's Alpha Reliability Analysis

Type of Variable	Variable	Cronbach's Alpha	No of Item	Results of Reliability
Dependent Variable	Financial Preparedness for Emergency Savings (FPES)	0.817	7	Good
Independent Variable 1	Financial Literacy (FL)	0.886	7	Good
Independent Variable 2	Social Influence (SI)	0.799	7	Good
Independent Variable 3	Self-Control (SC)	0.947	7	Excellent
Independent Variable 4	Income Level (IL)	0.859	7	Good

Table 4.2 presents the reliability analysis for all study constructs. Each variable reported a Cronbach's alpha value greater than 0.70, suggesting satisfactory internal consistency in line with established reliability standards. Specifically, the dependent variable, Financial Preparedness for Emergency Savings (FPES), recorded a Cronbach's alpha of 0.817, reflecting good reliability of the measurement scale. The independent variables of Financial Literacy (0.886), Social Influences (0.799), and Income Level (0.859), also had good reliability. Self-Control had an excellent reliability score at 0.947. These results indicate the measurement items for each construct were consistent and reliable for analysis.

4.3 Preliminary Data Screening

To validate the suitability of the dataset for inferential analysis, preliminary diagnostic tests were conducted. The initial phase involved assessing multicollinearity among the independent variables and evaluating the normality of the data distribution. These procedures are critical to ensure the reliability and accuracy of subsequent regression results.

4.3.1 Multicollinearity Test

Table 4.3 Collinearity Tolerance and Variance Inflation Factor (VIF) Analysis

Type of Variable	Variable	Collinearity Tolerance	VIF	Results of Collinearity
Independent Variable 1	Financial Literacy (FL)	0.51	1.95	No multicollinearity
Independent Variable 2	Social Influence (SI)	0.60	1.67	No multicollinearity
Independent Variable 3	Self-Control (SC)	0.93	1.07	No multicollinearity
Independent Variable 4	Income Level (IL)	0.79	1.27	No multicollinearity

Table 4.3 shows the Collinearity test results for all the independent variables. The independent variable in the table which Financial Literacy (FL) Social Influence (SI), Self-Control (SC), Income Level (IL) are all within reasonable bounds. The VIF was 1.95 and the tolerance value was 0.51 for Financial Literacy (FL). The VIF for Social Influence (SI) was 1.67, while the tolerance value was 0.60. The VIF for self-control (SC) was 1.07, while the tolerance value was 0.93. Finally, the VIF for Income Level (IL) was 1.27 and the Tolerance value was 0.79. There is no multicollinearity among the independent variables in this study, since all tolerance values are over the minimal allowed level of 0.20 and all VIF values are far below the threshold of 5.

4.3.2 Normality Test

Table 4.4 Normality Test Results

Type of Variable	Variable	Skewness	Kurtosis
Dependent Variable	Financial Preparedness for Emergency Savings (FPES)	(1.976)	4.402
Independent Variable 1	Financial Literacy (FL)	(2.166)	5.405
Independent Variable 2	Social Influence (SI)	(2.159)	5.988
Independent Variable 3	Self-Control (SC)	(1.687)	1.645
Independent Variable 4	Income Level (IL)	(2.426)	7.952

After addressing multicollinearity, the next step involved testing the assumption of normality. This study utilised SPSS to compute skewness and kurtosis statistics, which provide quantitative measures for assessing normal data distribution. Furthermore, graphical methods, including histograms and normal Q–Q plots were employed to visually evaluate the shape of the data distribution. These techniques together ensure that the dataset meets the assumptions necessary for conducting inferential statistical analyses.

In the Table 4.4 shown that the result of skewness and kurtosis are being generated. By examining the result shows that the Financial Preparedness for Emergency Saving (FPES) shows a skewness of -1.976 while kurtosis of 4.402 which indicates that there is a left skewed distribution with a nearly steeper peak than normal.

Among the independent variables, Financial Literacy (FL) and Social Influence (SI) have the skewness value of -2.166 and -2.159 while kurtosis value of 5.405 and

5.988 respectively. These two independent variables show a strong negative skewness and leptokurtic distribution, by suggesting that most of the responses are grouped at a heavier tail. Moreover, the independent variable of Self Control (SC) indicates the lowest deviation for normality with the skewness of -1.687 and for the value of kurtosis is 1.645 which represent that a mild negative skewness and distribution close to normal. Nevertheless, for the Income Level (IL) had the skewness value of -2.426 and kurtosis of 7.952 which are the most left skewed and peaked distribution out of 3 of the independent variables. It shows a highly concentrated at the higher end and possible outliers.

Although, result of moderate to strong negative skewness and leptokurtosis resulted, all the variables are still significant within the thresholds of -3 to 3 for skewness and –10 to 10 for kurtosis. Therefore, the data are still considered approximately normal distributed.

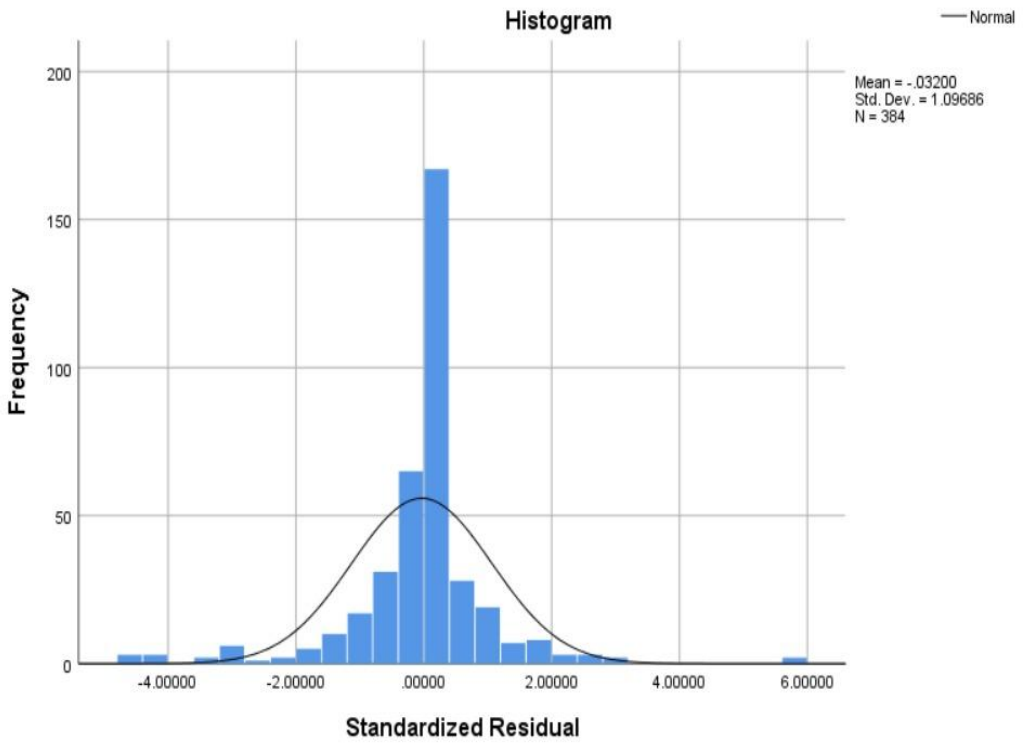

Figure 4.6 Histogram

To further evaluate the normality of the data, a histogram was constructed for the dependent variable, Financial Preparedness for Emergency Savings (FPES), as shown in Figure 4.6. The histogram includes a superimposed normal curve, which facilitates the visual comparison of the actual data distribution with the theoretical normal distribution. The resulting graph displays a bell-shaped pattern that closely follows the normal curve, indicating that the data exhibit near-normal characteristics. The data appears to be slight left skewed with high concentrations of frequencies around the mean value of 4.29. While for the tails, it tapers off gradually, and there are no extreme outliers appears. The standard deviation of the histogram, the value of that resulted as 0.568 with the sample size of 384 respondents, the data shown to be sufficiently symmetric and falls within the acceptable value of skewness and kurtosis thresholds. Thus, this histogram can be concluded that the data meets the normality assumption.

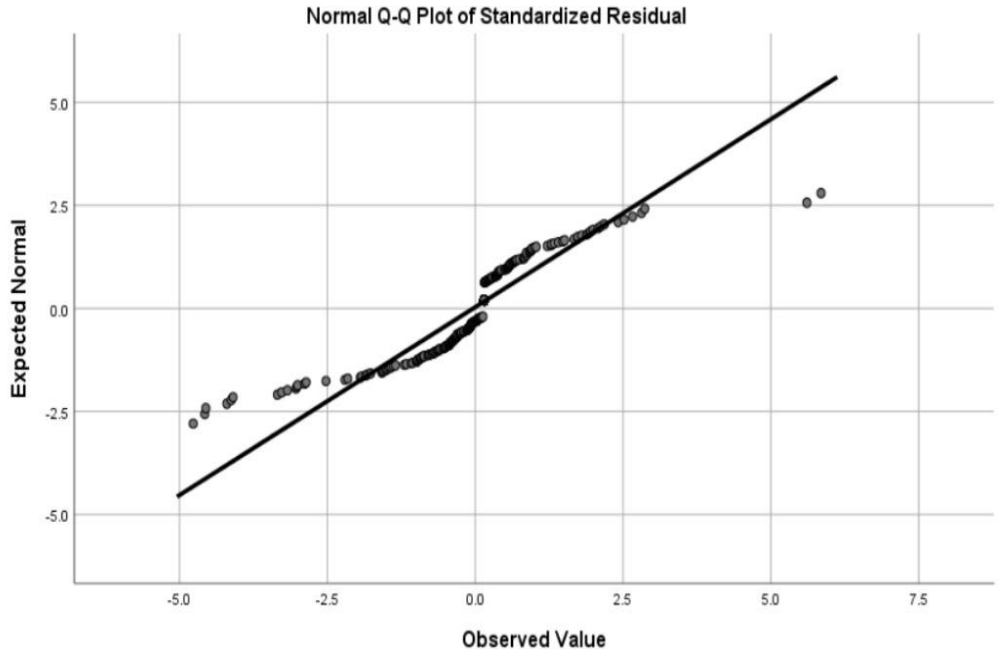

Figure 4.7 Normal Q-Q Plot

Moreover, the normal Q-Q (Quantile – Quantile) Plot was generated to examine whether the normality of the residuals for the dependent variable Financial Preparedness of Emergency Saving (FPES). The normal Q-Q plot compares with the observed quantile to be expected quantile from a theoretical normal distribution. The data should be lies closely to the 45-degree reference line that indicates that to be normality, especially in the centre of the distribution (Tsai & Yang, 2005). As the Figure 4,7 resulted, most of the data points align with the reference line to be around the middle quantile. This indicates that the central bulk of data are align with the normal expectations. There is modest deviation at the lower and higher tails, where the observed values moves slightly above or below the reference line, most possibly due to minor skewness and kurtosis but they are normally within acceptable ranges for the parametric analysis. Consequently, the distribution of the FPES is normal by the supporting of the assumption of normality for subsequent parametric statistical procedures.

4.4 Multiple Regression Analysis

4.4.1 Model summary

Table 4.5 Model Summary

Model Summary			
R	**R Square**	**Adjusted R Square**	**Standard Error of The Estimate**
0.818	0.669	0.665	0.32868

In the table 4.5 shows that the R value is 0.818 which describes a strong relationship between both Financial Preparedness of Emergency Saving and independent variables Financial Literacy, Social Influence, Self-Control and Income Level. The coefficient of determination (R^2) was found to be 0.669, indicating that 66.9% of the variability in the dependent variable, Financial Preparedness for Emergency Savings (FPES), is accounted for by the independent variables, Financial Literacy (FL), Social Influence (SI), Self-Control (SC), and Income Level (IL). The Adjusted R^2 value of 0.665, which adjusts for the number of predictors in the model, reinforces the model's strength by demonstrating that 66.5% of the variance in FPES is still explained by the independent variables. This reflects a high level of explanatory adequacy for the regression model. The value of Standard Error of Estimate 0.32868 presented a low level of prediction error, meaning that only 0.33 unit on average indicating the actual value of the dependent variable were differ from the predicted values. In general, the model had a high explanatory power and low prediction error indicates that the model is significantly suitable for further analysis.

4.4.2 Coefficient

Table 4.6 Table of Coefficient

Type of Variable	Variable	Unstandardized Coefficient Beta	Coefficient Std. Error	Standardized Coefficient Beta	t-statistics	P-value
Dependent Variable	FPES	0.773	0.150	-	5.145	0
Independent Variable 1	FL	0.597	0.037	0.671	16.235	0
Independent Variable 2	SI	0.035	0.035	0.131	3.425	0.001
Independent Variable 3	SC	0.033	0.017	0.061	2.007	0.013
Independent Variable 4	IL	0.077	0.031	0.083	2.496	0.046

Table 4.6 shown that the coefficient of the multiple regression analysis examines the impact of by four of the independent variables: Financial Literacy (FL), Social Influence (SI), Self Control (SC), and Income Level on the dependent variable: Financial Preparedness of Emergency Saving (FPES).

The regression equation as followed:

FPES = 0.773 + 0.597FL + 0.035SI + 0.033SC + 0.077IL

The constant value (intercept) is 0.773, which indicate the baseline level of the Financial Preparedness of Emergency Saving when all the independent variables are held at zero.

Among all variables, **Financial Literacy (FL)** has the greatest and most statistically significant effect on the dependent variable, FPES. The unstandardised regression coefficient (β = 0.597) suggests that a one unit increase in the corresponding independent variable results in a 0.597 unit increase in Financial Preparedness for Emergency Savings (FPES), holding other predictors constant. This reflects a positive and meaningful contribution of the variable to the overall model, while the p-value is less than 0.001, and the standardised coefficient beta is 0.671, implying that for every one unit increase in financial literacy, Financial Preparedness for Emergency Savings will increase by 0.597 units, while all other variables remain constant. The result of t-statistic 16.235 indicates that the connection is extremely significant.

Social Influence (SI) is similarly significant, with a positive influence on FPES (coefficient beta = 0.035; standardised coefficient beta = 0.131). The p-value of 0.001 indicates that this impact is statistically significant at the 1% level, implying that having a larger social influence leads to greater financial preparation for emergency savings across all respondents.

Self-Control (SC) demonstrate that a positive and statistically significant impact on the FPES as well with the result of unstandardized coefficient beta at 0.033 and standardized beta at 0.061. The p-value of 0.013 shows that this independent variable had the effect is statistically significant at the level of 5% suggesting that stronger self-control is associated with greater financial preparedness of emergency saving among all respondents.

In contrast, **Income Level (IL)** shows a statistically significant and positive influence relationship on FPES. The unstandardized coefficient beta is 0.077, with a standardized coefficient beta of 0.083 and the p-value is 0.046, which shows that the relationship is significant at the level of 5%. This result suggests that an individual with a higher income level is more likely to have better financial

preparedness of emergency saving, however the effect on the magnitude were small when comparing to the other predictors.

4.5 Inferential Analysis

4.5.1 Pearson's Correlation

Table 4.7 Pearson's Correlation Coefficient

Variables	FPES	FL	SI	SC	IL
FPES	1	0.806	0.587	0.251	0.438
FL	0.806	1	0.628	0.250	0.455
SI	0.587	0.384	1	0.114	0.340
SC	0.251	0.250	0.114	1	0.082
IL	0.438	0.455	0.340	0.082	1

Table 4.7 presents the results of the multiple regression analysis, indicating that the dependent variable—Financial Preparedness for Emergency Savings (FPES)—has a statistically significant relationship with all four independent variables: Financial Literacy (FL), Social Influence (SI), Self-Control (SC), and Income Level (IL). These findings provide valuable insight into how each predictor contributes to financial preparedness, with the analysis identifying which variables have the strongest influence on Malaysian youths' ability to maintain adequate emergency savings. The statistically significant associations highlight the importance of these behavioural and socioeconomic factors in shaping financial resilience among the target population.

First are the correlation and coefficient between FPES and FL with the r value of 0.806 which indicate within a range for strong positive relationship. The coefficient value suggests that an increase in financial literacy is positively associated with higher levels of financial preparedness for emergency savings among Malaysian youth, highlighting the critical role of financial knowledge in fostering prudent financial behaviour. The significance of this relationship shows that FL may be an important element for identifying financial preparedness, with the improvement in FL can result in a significant change in preparedness.

Moreover, the correlation coefficient between FPES and SI with the r value of 0.587 which indicates within a range for moderate positive relationship. This suggests that youth who experience a higher level of encouragement, advice or peer influence about financial management are to be more likely have a better emergency savings preparedness.

Furthermore, the correlation coefficient between FPES and SC with the r value of 0.251 which indicates within a range for weak positive relationship. This indicates that youth with greater SC by meaning that their ability to manage impulses, delay gratification and adhere to plan their financial behaviour tends to be more prepared for emergencies. However, with a relatively low strength of relationship suggest that SC has some role in financial preparedness but it is far less influence for FPES by determining a youth emergency savings readiness.

Lastly, the correlation coefficient between FPES and IL with the r value of 0.438, which indicates within a range for moderate positive relationship. This value suggests that youth with higher income levels tend to be more financially prepared for emergencies. The moderate strength between this relationship which implied that with higher income provides youth with more resources to allocate for savings.

4.6 Summary of Hypothesis Testing

Table 4.8 Table of Summary of Hypothesis

Independent Variables	Hypothesis	P-Value	Result of Hypothesis Testing
FL	H1	0	Significant ($p<0.05$)
SI	H2	0.001	Significant ($p<0.05$)
SC	H3	0.013	Significant ($p<0.05$)
IL	H4	0.046	Significant ($p<0.05$)

The Tabel 4.8 shows the summary of hypothesis testing. All 4 independent variables, financial literacy (FL), social influence (SI), self-control (SC), and income level (IL) have statistically significant relationship with the dependent variable, which is financial preparedness for emergency saving, as all p-value are below the threshold of 0.05. With a p-value of 0.000, FL (H1) showed extremely high significance. With p-values of 0.001, 0.013, and 0.046, respectively, SI (H2), SC (H3), and IL (H4) all satisfied the significance threshold at the 5% level. The results support the rejection of the null hypotheses for all four independent variables, Financial Literacy (FL), Social Influence (SI), Self-Control (SC), and Income Level (IL) in favour of the alternative hypotheses. This confirms that each variable exerts a significant influence on the dependent variable, Financial Preparedness for Emergency Savings (FPES).

4.7 Conclusion

SPSS Statistics was used to evaluate the data. It aids in the analysis and summarisation of data obtained from respondents using Google Forms. It discovered that the scales on the questionnaire are dependable. Aside from that, there are no multicollinearity or normalcy issues in this study. In conclusion, the multiple regression analysis's findings indicate a strong correlation between four independent variables (financial literacy, social influences, self-control, and income level) and dependent variables (financial preparedness of for emergency savings) among Malaysian youth.

CHAPTER 5: CONCLUSION AND IMPLICATIONS

5.1 Summary of Statistical Analysis

Table 5.1 Summary of the Statistical findings

Independent Variables	P-Value	T-Statistics	Result
Financial Literacy (FL)	0	16.235	Significant
Social Influence (SI)	0.001	3.425	Significant
Self-Control (SC)	0.013	2.007	Significant
Income Level (IL)	0.046	2.496	Significant

Financial Literacy and Financial Preparedness for Emergency Savings

This study reinforces the critical role of financial literacy in shaping emergency financial behaviours among Malaysian youth. Those who possess adequate financial knowledge are better equipped to recognise the value of emergency savings and make informed financial decisions (Lusardi & Mitchell, 2014; Xiao & O'Neill, 2016). In line with these findings, Mad et al. (2024) provide further empirical evidence that financial literacy significantly and directly influences financial preparedness, underscoring the need for targeted financial education initiatives for younger populations. The study also found that children with greater levels of financial literacy demonstrate superior financial management and strategic conduct, which contributes to the necessity of emergency fund preparation.

Social Influence and Financial Preparedness for Emergency Savings

The findings show a substantial positive association between social impact and financial preparation among Malaysian youth. When young people see that their family members or classmates have emergency funds in place and understand the value of doing so, they are more inclined to follow suit. The findings of this study align with previous research, such as Che Din and Abd Rashid (2023), who demonstrated that students' financial behaviours—particularly in terms of saving and spending—are deeply shaped by social influence from family and peers within Malaysian higher education settings. This supports the notion that social norms and interpersonal interactions play a central role in the formation of financial habits. In a broader context, Shim et al. (2010) highlighted the long-term impact of early financial socialisation, showing a strong link between financial guidance in youth and constructive saving behaviours in adulthood. Together, these studies reinforce the significance of social factors in shaping emergency financial preparedness. This implies that fostering a social influence that values money management enhance youth's preparedness to save for emergencies.

Self-control and Financial Preparedness for Emergency Savings

According to the study's findings, the independent variable self-control showed a statistically significant relationship with the dependent variable financial preparedness for emergency savings, with a p-value of 0.013 and a t-statistic of 2.007. The fact that the p-value is less than 0.05 indicates that self-control has a significant impact on financial preparedness for emergency savings. The Theory of Planned Behavior (TPB), which highlights self-control as a crucial component of perceived behavioral control, helping people in controlling wants and pursuing long-term financial objectives (Ajzen, 1991). While Ling (2021) emphasizes self-control as the ability to regulate thoughts, emotions, and behaviors in the context of temptation. As a result, the statistical data supports earlier theoretical that found the self-control to be a crucial component of enhancing financial preparedness.

Income Level and Financial Preparedness for Emergency Savings

The statistical analysis demonstrates that income level is significant indication, suggesting a positive relationship with the dependent variable preparedness for emergency savings. This is consistent with economic theories like the Life-Cycle Hypothesis, which holds that lifetime income expectations have an impact on saving and consumption patterns (Modigliani, 2005). In real life, people with higher incomes have more money to spend as they like, which improves financial preparedness, encourage saving, and minimized financial vulnerability (OCED, 2020; Friedline et al., 2013). According to the Theory of Planned Behavior, financial decisions are perceived as having more behavioral control by those with higher incomes (Ajzen, 2002). This enables them to invest in financial security and save for emergencies (Prudential Malaysia, 2024). Thus, the result shows a statistically significant relationship between income level and financial preparedness for emergency savings among Malaysian youth.

5.2 Implications of the Study

The study's findings show that among Malaysia youth, financial preparedness for emergency savings is significantly measured by social influence, self-control, and income level. These result reveal that enhancing young Malaysians' emergency saving abilities involves a contextual and behavioral strategy compared to merely improving financial literacy.

The significant of social influence suggests that youth's attitudes about saving are significantly shaped by their family values and peer networks. There are many youths in Malaysia who may not perceive the need to accumulate personal emergency savings due to their cultural tendency to prioritize social spending or to turn to family when they are struggling financially (Sabri & MacDonald, 2010).

Therefore, in order to mainstream and encourage emergency savings behavior, financial education programs should include peer led workshops, group saving challenges, and testimonials to foster positive peer influence among youth. Peer educators can make financial thoughts more approachable by relatedly sharing reallife experiences by using informal, conversation-based forms in which individuals discuss their own financial challenges and achievements.

In this study, the strong correlation between income level and financial preparedness for emergency savings draws attention to the fundamental issues lower income youth struggle with. According to Friedline et al. (2013), youth saving behaviour was well predicted by income level, and those in higher income groups were more likely to have access to and be enrolled in savings programs. Even if they are aware or desire to, people with minimal or inconsistent income may find it difficult to save money for emergency. Therefore, policymakers must consider specific initiatives like grants for emergencies through educational institutions, matches savings strategies, or financial incentives for youth savings.

The importance of self-control in predicting whether youth would be financially prepared to save for emergencies suggests the relevance of psychological and behavioural aspects when it comes to personal finance. Youth that could not delay gratification or control their spending impulses were the least likely to save money for unexpected circumstances. This result is consistent with Otto (2009) and Mawad et al. (2022) highlighted that the importance of self-control in future financial planning and efficient budgeting. In the Malaysian context, Lim et al. (2011) found that youths who showed greater willpower were more likely to save consistently despite immediate spending temptations. Hence, introducing behavioral training modules, such as goal setting, impulse control, and simulated budgeting, into financial education initiatives would diminish the risk of youth failing in financial discipline and decision-making skills.

Despite being frequently regarded as a fundamental predictor of prudent financial behavior, financial literacy's function in this study seems to be more complex. Financial literacy is still a vital starting point, even though it might not immediately translate into emergency savings without behavioral and contextual support. As Lusardi and Mitchell (2014) and Mawad et al. (2022) indicated, individuals who have a sound understanding of financial literacy are more prone to appreciate saving and thus make informed decisions. Nonetheless, a significant share of youth in Malaysia are still poorly equipped with the basic understanding of financial literacy (Fatihah, 2024; Zahorsky Paul et al., 2020). Therefore, financial literacy efforts will need to move beyond classroom teaching to contextualizing life, using interactive budgeting tools, gamified apps for saving, and financial content aimed at youth on social media platforms, to develop a level of engagement and understanding.

5.3 Limitations of Study

Within the whole research, there were some drawbacks that could be found. Firstly, the study may be relied on individuals self-reported data, which can be commonly seen by the research of behaviour to present notable methodological limitations where this may inherently carry the risk of social desirability bias. This form of responses occurs when the participant modifies the answer to align with what they believe are socially acceptable rather than providing a fully accurate response. Jann, Krumpal, and Wolter (2019) argued that the bias is particularly greater when survey items which includes normative judgement where respondents feel examined. For example, the respondent could give the answer that are socially desirable, such as stating that they save frequently or abstain from the impulsive consumption, but it might not accurately reflect they actual saving behaviour. While even confidentiality was guaranteed with anonymous survey administration, but this bias stands among the usual caveats with the behavioural research involving personal financial issues.

Furthermore, the study's findings might not apply to other age groups' financial readiness and life stage difficulties because the target respondents were all young individuals. Different ethnic groups are also under-represented in the survey. Because Malaysia is a multiethnic nation, concentrating on a single ethnic group may limit the study findings' application in many cultural situations. This is because of cultural limits. There may be notable disparities in attitudes on emergency savings among ethnic groups due to their varied financial customs, family structures, or risk perceptions. The lack of such cultural variation in the sample restricts the research findings' wider applicability.

5.4 Recommendations

With the research outcome and later-listed disadvantages, it becomes clear that it's possible to provide several recommendations to better prepare youth financially, as well as guide future research, policy making, educational policy, and the financial interventions. The future research might consider adopting a longitudinal research design to examine how the behavioural biases and financial readiness evolve over time. Future research may benefit from examining youth saving behaviours longitudinally across various life stages, including transitions in education, employment, and during times of economic uncertainty. Such an approach could reveal deeper causal mechanisms underlying financial preparedness. Furthermore, incorporating qualitative research methods—such as in-depth interviews or focus groups which may yield a more nuanced understanding of the emotional, psychological, and situational dynamics that shape financial behaviours among young individuals.

From the policy and education standpoint, this study highlights the pressing need to integrate comprehensive financial education across all levels of the national curriculum. Given that the low financial literacy rate reported among the Malaysian youth, educational institutions should incorporate practical financial planning

content like the incorporate practical financial planning content such as budgeting, debt management, savings habits, and the risks of digital credit tools like the "buy now, pay later" schemes. The government ministries and financial authorities also should consider the nationwide campaigns and programs that are culturally relevant and accessible to both the urban and rural youth, including via mobile platforms and social media channels that youth frequently engage with. Other than that, also can give the youth some of the opportunities to join those events with free of charge. Lauch the nationwide financial education campaign to the targeting youth, especially through TikTok, Instagram, and YouTube to maximise engagement.

On the other hand, employer is being the major role to play in improving their financial resilience among the youth employees. Thus, companies can implement some ideas for improving their financial wellness initiative through companies' campaign or policy made in the contract such as saving-matching schemes, automated payroll deductions into emergency saving fund accounts, or company sponsored financial education sessions for employees to gain knowledge regarding the importance of having emergency fund when needed. Those initiatives can help to reduce the financial stress of not being saved up for uncertainty, improvement on job performance while working extra for incentives and promote for long term financial wellbeing. Particularly, by company offering a well-structured career path for their employees and ensure that they receive an equitable wage which can also influence indirectly to be able to enhance the capacity of youth to build up savings for emergency without keep on relying on bank facilities such as credit card for the use of emergency.

Lastly, since nowadays financial service provider such as bank and fintech platform, which provided the convenience of having the services anywhere, anytime. The authorities should design the targeted savings tools for the youth that are easy to use and appealing in order to attract them to use the services. The features as savings goals function able the youth to entry the campaign to earn prizes, gamification, saving reminder notification and simplified ways for investment options can be as effective as just pressing on the mobile phone in order to access to the investment

platforms. For institutions, they might also use with behavior informed design features such as opt-in emergency savings accounts or visible progress monitoring. This method is used to encourage the youth to save up consistently to gain good practices. Additionally, financial institutions can collaborate with educational bodies to create a hybrid learning environment to enable theory to meet their real-life financial applications.

In a nutshell, the combination efforts made by researchers, policymakers, educators, employers, and financial service providers had the needs to solve the complexity of behavioral and structural barriers that Malaysian adopted. By leveraging the behavioral insight and structural reforms, Malaysia can foster a more financially resilient younger generation to be capable of facing the future economic challenges.

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APPENDIX

Appendix 1.1 Malaysia Youth Population

Jadual 2.1: Anggaran penduduk pertengahan tahun mengikut kumpulan umur, kumpulan etnik dan jantina, Malaysia, 2024[p]

Table 2.1: Mid-year population estimates by age group, ethnic group and sex, Malaysia, 2024 [p]

('000)

Jantina/ kumpulan umur *Sex/ age group*	Jumlah *Total*	Warganegara *Citizens*							Bukan Warganegara *Non-citizens*
		Jumlah *Total*	Bumiputera			Cina *Chinese*	India *Indians*	Lain-lain *Others*	
			Jumlah *Total*	Melayu *Malay*	Bumiputera lain *Other Bumiputera*				
Jumlah *Total*	**34,058.8**	**30,662.7**	**21,568.8**	**17,808.4**	**3,760.4**	**6,857.6**	**2,005.5**	**230.7**	**3,396.1**
0 - 4	2,360.2	2,117.1	1,749.4	1,475.5	274.0	246.0	96.6	25.2	243.1
5 - 9	2,573.9	2,382.6	1,794.1	1,506.5	287.6	440.1	131.1	17.3	191.3
10 - 14	2,620.1	2,529.0	1,824.0	1,517.7	306.3	529.4	158.5	17.2	91.1
15 - 19	2,724.9	2,544.4	1,811.6	1,451.9	359.7	550.6	167.2	15.0	180.5
20 - 24	3,157.1	2,682.4	1,982.9	1,644.9	338.0	514.5	164.9	20.1	474.7
25 - 29	3,036.7	2,417.6	1,765.7	1,439.2	326.4	475.9	156.7	19.3	619.1
30 - 34	2,955.9	2,444.4	1,754.3	1,419.7	334.6	504.2	164.0	21.9	511.6
35 - 39	2,856.7	2,483.0	1,758.0	1,453.3	304.7	535.0	167.6	22.3	373.7
40 - 44	2,608.2	2,360.4	1,596.1	1,320.4	275.7	575.6	171.0	17.7	247.8
45 - 49	2,018.9	1,872.0	1,218.8	1,013.9	204.9	501.4	139.0	12.9	146.9
50 - 54	1,723.5	1,643.6	1,049.0	862.8	186.2	466.0	118.6	10.0	79.8
55 - 59	1,473.1	1,425.4	901.1	739.7	161.4	412.8	103.4	8.2	47.6
60 - 64	1,339.6	1,308.9	812.5	677.0	135.5	392.3	97.2	6.9	30.6
65 - 69	1,051.3	984.1	606.4	504.0	102.4	300.9	71.2	5.5	67.2
70 - 74	750.4	715.0	463.9	387.9	76.1	196.3	49.5	5.3	35.4
75 - 79	446.8	427.4	268.3	225.0	43.3	127.4	28.5	3.2	19.4
80 - 84	215.1	199.8	124.4	99.4	25.0	61.6	12.1	1.6	15.3
85+	146.7	125.7	88.4	69.5	18.9	27.6	8.6	1.1	20.9

Appendix 1.2 Descriptive analysis of the questionnaires

Descriptives

Descriptives

	Gender
N	384
Missing	0

Appendix 1.3 Descriptive analysis of Age

Frequencies

Frequencies of Age

Age	Counts	% of Total	Cumulative %
18 - 20	71	18.5 %	18.5 %
21 - 23	167	43.5 %	62.0 %
24 - 27	78	20.3 %	82.3 %
28 - 30	6	1.6 %	83.9 %
31 - 40	62	16.1 %	100.0 %

Appendix 1.4 Descriptive analysis of Gender

Frequencies

Frequencies of Gender

Gender	Counts	% of Total	Cumulative %
Female	177	46.1 %	46.1 %
Male	207	53.9 %	100.0 %

Appendix 1.5 Descriptive analysis of Level of Education

Frequencies

Frequencies of Education Level

Education Level	Counts	% of Total	Cumulative %
Bachelor's Degree	279	72.7 %	72.7 %
Diploma	22	5.7 %	78.4 %
Foundation	6	1.6 %	79.9 %
Master's Degree	16	4.2 %	84.1 %
PhD	13	3.4 %	87.5 %
Secondary Education	48	12.5 %	100.0 %

Appendix 1.6 Descriptive analysis of Monthly Income

Frequencies

Frequencies of Monthly Income

Monthly Income	Counts	% of Total	Cumulative %
RM 0 - RM 2,000	218	56.8 %	56.8 %
RM2,001 - RM4,000	99	25.8 %	82.6 %
RM4,001 - RM6,000	25	6.5 %	89.1 %
RM6,001 - RM8,000	15	3.9 %	93.0 %
RM8,001 and above	27	7.0 %	100.0 %

Appendix 1.7 Descriptive analysis of Area

Frequencies

Frequencies of Which area do you currently reside in?

Which area do you currently reside in?	Counts	% of Total	Cumulative %
Johor	47	12.2 %	12.2 %
Kelantan	76	19.8 %	32.0 %
Penang	53	13.8 %	45.8 %
Perak	121	31.5 %	77.3 %
Selangor	87	22.7 %	100.0 %

Appendix 1.8 Reliability Test of FPES (Pre-test)

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.921	.923	7

Appendix 1.9 Reliability Test of FL (Pre-test)

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.930	.931	7

Appendix 1.10 Reliability Test of SI (Pre-test)

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.883	.891	7

Appendix 1.11 Reliability Test of SC (Pre-test)

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.973	.973	7

Appendix 1.12 Reliability Test of IL (Pre-test)

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.958	.958	7

Appendix 1.13 Reliability Test of FPES

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.817	.819	7

Appendix 1.14 Reliability Test of FL

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.886	.886	7

Appendix 1.15 Reliability Test of SI

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.799	.805	7

Appendix 1.16 Reliability Test of SC

Reliability Statistics

Cronbach's Alpha	N of Items
.947	7

Appendix 1.17 Reliability Test of IL

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.859	.860	7

Appendix 1.18 Results of Multicollinearity Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	.773	.150		5.145	.000	.477	1.068		
	FL	.597	.037	.671	16.235	.000	.524	.669	.512	1.953
	SI	.119	.035	.131	3.425	.001	.050	.187	.600	1.666
	IL	.077	.031	.083	2.496	.013	.016	.139	.787	1.270
	SC	.033	.017	.061	2.007	.046	.001	.066	.933	1.072

a. Dependent Variable: FPES

Collinearity Diagnostics[a]

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions (Constant)	FL	SI	IL	SC
1	1	4.917	1.000	.00	.00	.00	.00	.00
	2	.051	9.857	.01	.01	.02	.02	.92
	3	.015	18.158	.06	.09	.30	.50	.00
	4	.010	22.085	.74	.23	.03	.26	.02
	5	.007	26.324	.20	.67	.65	.21	.06

a. Dependent Variable: FPES

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	1.7386	4.9027	4.2943	.46474	384
Residual	-1.46593	1.83286	.00000	.32696	384
Std. Predicted Value	-5.499	1.309	.000	1.000	384
Std. Residual	-4.460	5.576	.000	.995	384

a. Dependent Variable: FPES

Appendix 1.19 Results of Normality Test

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation	Variance	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
FPES	384	1.57	5.00	4.2943	.56823	.323	-1.976	.125	4.402	.248
FL	384	1.00	5.00	4.2924	.63884	.408	-2.166	.125	5.405	.248
SI	384	1.00	5.00	4.2124	.62641	.392	-2.159	.125	5.988	.248
IL	384	1.14	5.00	4.2199	.60957	.372	-2.426	.125	7.952	.248
SC	384	1.00	5.00	4.0283	1.04278	1.087	-1.687	.125	1.645	.248
Valid N (listwise)	384									

Appendix 1.20 Results of Multiple Linear Regression Test

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	SC, IL, SI, FL[b]	.	Enter

a. Dependent Variable: FPES

b. All requested variables entered.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.818[a]	.669	.665	.32868	.669	191.439	4	379	.000	1.825

a. Predictors: (Constant), SC, IL, SI, FL

b. Dependent Variable: FPES

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	82.723	4	20.681	191.439	.000[b]
	Residual	40.943	379	.108		
	Total	123.666	383			

a. Dependent Variable: FPES

b. Predictors: (Constant), SC, IL, SI, FL

Appendix 1.21 Results of Descriptive Analysis

	N	Range	Minimum	Maximum	Mean	Std. Deviation	Variance
FPES	384	3.43	1.57	5.00	4.2943	.56823	.323
FL	384	4.00	1.00	5.00	4.2924	.63884	.408
SI	384	4.00	1.00	5.00	4.2124	.62641	.392
IL	384	3.86	1.14	5.00	4.2199	.60957	.372
SC	384	4.00	1.00	5.00	4.0283	1.04278	1.087
Valid N (listwise)	384						

Variables	Attributes	Items
Financial Preparedness for Emergency Savings (FPES)	FPES 1	I have money set aside for emergencies.
	FPES 2	I have enough savings to cover at least three months of living expenses in case of an emergency.
	FPES 3	I consistently set aside a portion of my income for emergency savings, regardless of my monthly expenses.
	FPES 4	I am confident in my understanding of financial concepts such as budgeting, saving, and managing debt.
	FPES 5	Even when I face unexpected spending temptations, I still prioritize saving for emergencies.
	FPES 6	I often make saving decisions based on what my family and friends suggest or do.
	FPES 7	I believe that being financially prepared for emergencies reduces my stress about the future.
Financial Literacy (FL)	FL 1	I have a better understanding of how to invest my money.
	FL 2	I have a better understanding of how to manage my credit use.
	FL 3	I have a very clear idea of my financial needs during retirement.
	FL 4	I can maintain financial records for my income and expenditure.

	FL 5	I can prepare my own weekly (monthly) budget.
	FL 6	I can work effectively towards long term financial goals.
	FL 7	I have little or no difficulty in managing my money.
Social Influence (SI)	SI 1	My parents are a good example for me when it comes to saving.
	SI 2	I appreciate it when my parents give me advice about what to save my money.
	SI 3	Saving is something I do regularly because my parents wanted me to save when I was young.
	SI 4	Sometimes it is good to let my parents take care of my money to help me save.
	SI 5	I save because my friends also save.
	SI 6	I receive an allowance from my parents on a regular basis.
	SI 7	I always discuss saving with my friends.
Self-Control (SC)	SC 1	I do not save, because I think it is too hard.
	SC 2	I enjoy spending money on things that are not practical.
	SC 3	"Buy now, think about it later" describes me.
	SC 4	I'm easily attracted by lure.
	SC 5	I always failed to control myself from spending money.

	SC 6	I am more concerned with what happens to me in short run than in the long run.
	SC 7	When I set saving goals for myself, I rarely achieve them.
Income Level (IL)	IL 1	My income level is sufficient to meet my daily living expenses.
	IL 2	My current income level allows me to live comfortably without financial stress.
	IL 3	With higher income, I would have greater chance in participating emergency savings.
	IL 4	The growth of income would contribute to a higher portion of income for my emergency savings.
	IL 5	I believe my current income level affects my ability to financially prepare for emergencies.
	IL 6	I would not run out of money before my next income arrives.
	IL 7	I put a higher percentage of my income into saving rather than spending it.

Appendix 1.22 Results of Inferential Analysis

Correlations

		FPES	FL	SI	IL	SC
FPES	Pearson Correlation	1	.806	.587	.438	.251
	Sig. (2-tailed)		.000	.000	.000	.000
	N	384	384	384	384	384
FL	Pearson Correlation	.806	1	.628	.455	.250
	Sig. (2-tailed)	.000		.000	.000	.000
	N	384	384	384	384	384
SI	Pearson Correlation	.587	.628	1	.340	.114
	Sig. (2-tailed)	.000	.000		.000	.025
	N	384	384	384	384	384
IL	Pearson Correlation	.438	.455	.340	1	.082
	Sig. (2-tailed)	.000	.000	.000		.109
	N	384	384	384	384	384
SC	Pearson Correlation	.251	.250	.114	.082	1
	Sig. (2-tailed)	.000	.000	.025	.109	
	N	384	384	384	384	384