

Factors influencing saving behaviour among youth in Malaysia

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Abstract

Saving is important not only for individuals and households but also for the economic development of a country. In Malaysia, youth generally lack savings and show little interest in saving. This situation has negatively affected them, especially during and after the COVID-19 pandemic. This research paper aims to analyze the factors that influence the saving behaviour of young people in Malaysia. Data was collected from 1,200 respondents across the country. Questionnaires were used as the primary instrument and stratified sampling techniques were applied. The target sample consisted of Malaysians aged between 15 and 40 years old. Partial Least Squares Structural Equation Modeling (PLS-SEM) and binary regression were used to explore the factor structure of the variables. The questionnaire was divided into four sections: the first covered demographic information; the second focused on the determinants influencing saving behaviour; and the remaining sections addressed the factors that influence saving behaviour and the intention to save. The findings indicate that financial management, peer influence, self-control and demographic background significantly affect saving behaviour among young Malaysians. Overall, the results suggest that greater exposure and education about the importance of saving are needed, particularly in the post-COVID-19 era to raise awareness and encourage more young people to engage in saving practices.

Keywords: Financial literacy, financial management, peer influence, saving behaviour, self-control

Introduction

Savings refer to the portion of income that remains after deducting expenses and other financial commitments. It is money that is not invested, consumed or otherwise utilized. According to Maps World of Finance, saving behaviour is defined as the way individuals save within a country, which reflects the broader economic conditions of that nation. Saving is a crucial component of economic development. A higher national savings rate is essential for achieving long-term economic goals. In economic theory, the amount saved is equal to the amount invested. Ribaj and Mexhuani (2021) state that economies with higher savings rates tend to grow faster than those with lower rates. Thus, savings play a vital role in stimulating economic growth across nations.

Savings play a crucial role in financing investments. When individuals save more, financial institutions are better positioned to provide investment loans to businesses. However, savings in

the economy remain relatively low, indicating that short-term consumption is being prioritized over long-term investment. A lack of sufficient investment can lead to future shortages and economic congestion. According to the Harrod-Domar economic growth model, one of the key determinants of a country's economic growth rate is the level of savings. Deposits in financial institutions increase the availability of credit, which in turn supports financing for commercial and productive activities. The COVID-19 pandemic, which began in March 2020, had a significant impact on Malaysians. Rising unemployment due to job losses, combined with the restrictions imposed by the Movement Control Order (MCO), led to increased household expenses and financial stress. According to data from Bank Negara Malaysia, the gross national savings rate declined from 25.1% in 2019 to 23.2% in 2021, reflecting the negative impact of the pandemic on national saving behaviour. This decline raises an important question: do Malaysians have adequate savings? An article published by Astro Awani highlights that many Malaysians face financial difficulties and lack sufficient savings to support their daily lives. Furthermore, it was reported that more than 40% of millennials spend beyond their means. According to Xu and Zia (2012), many millennials lack interest in learning how financial systems work, which contributes to a gap in essential financial knowledge needed for informed saving and investment decisions.

Studies and national financial reports have consistently highlighted a worrying trend: many Malaysian youths do not prioritize saving and are ill-prepared to face financial emergencies or plan for future financial needs. This behaviour not only puts their personal financial security at risk but also has broader implications for the country's economic resilience and development. Recent surveys suggest that about 61% of Malaysians cannot raise even RM1,000 in an emergency (Asiah, 2024) and approximately 20% of respondents cannot save any money in a month (RinggitPlus Financial Literacy Survey, 2024). Among youth, only around 17% of income is set aside for savings and investment, with even less going into investment alone (8%) (SC Youth Capital Market Survey, 2022). These figures indicate a worrying lack of saving behaviour among young Malaysians, underscoring the urgency of understanding the drivers behind this trend. Besides, youth bankruptcies are increasing: 877 cases of bankruptcy among Malaysians aged 18–40 were recorded in 2024.

Although various financial education initiatives have been introduced by both the government and private sectors, their impact on actual saving behaviour among youth remains unclear. There is a pressing need to investigate the underlying factors that influence the saving habits of this demographic, including psychological, social and economic determinants. Most previous studies have focused on the saving behaviour of households, workers and retirees. As Otto (2009) notes, saving behaviour among young people such as university students has received relatively little attention. This study differs by specifically examining the influence of financial literacy, financial management, peer influence and self-control on the saving behaviour of Malaysian youth during the COVID-19 pandemic. Moreover, prior research has not sufficiently explored the relationship between financial knowledge and financial attitudes. Therefore, this study aims to examine the interplay between these variables. In addition, previous studies have not addressed how to enhance financial literacy during times of crisis, such as a pandemic. As a result, this study seeks to develop a comprehensive model of saving behaviour to help improve financial practices among youth during and after the COVID-19 pandemic.

This study specifically examines the saving behaviour of Malaysian youth. The term youth refers to young individuals within a specific age range. In Malaysia, the definition of youth has evolved over time. Currently, youth are defined as individuals between the ages of 15 and 40, based on the Youth Societies and Youth Development Act. However, a significant change will

take effect in 2026. In 2019, Malaysia passed a legal amendment to lower the youth age limit to 30, which will be implemented on January 1, 2026. This amendment aligns with Malaysia's national youth policy and reflects global trends. The definition of youth is important in determining eligibility for participation in youth organizations and their role in society. This study aims to fill a gap in previous research by examining the relationship between financial literacy, financial management, peer influence and self-control on the saving behaviour of youth in Malaysia. Specifically, it seeks to develop a comprehensive financial literacy model to promote positive attitudes toward saving, particularly after the COVID-19 pandemic. The significance of this study lies in its focus on understanding how these key factors influence youth saving behaviour, with the broader goal of improving financial literacy among the millennial generation. There are several reasons why research on youth saving behaviour in Malaysia is important. Firstly, it can raise awareness and provide valuable insights for youth on the importance of saving. Secondly, the study can help the community understand the various benefits of saving, especially in times of financial crisis. For example, during emergencies such as when a family member faces financial hardship savings can provide much-needed support. Additionally, in the event of a national economic downturn, such as the one caused by the COVID-19 pandemic, many individuals lost their jobs and experienced reduced income for several months. In such situations, having savings can alleviate financial stress and help individuals manage daily expenses.

In conclusion, savings play a vital role in ensuring financial resilience. Therefore, it is crucial to provide young people with greater exposure to financial education and the importance of saving. This study is divided into several parts, the first being an introduction to saving behaviour. The second part is a previous study on saving behaviour with factors that affect saving behaviour and some empirical studies. The third part is the methodology which explains the method used for this study. In the fourth part, explain the results and findings of the study obtained from the respondents. Finally, the conclusion and references section.

Literature review

Several studies have examined what drives saving behaviour among young people. The literature generally identifies a cluster of psychological, social, economic and behavioural factors. According to Aghion et al. (2009), every individual should be able to manage their finances, particularly in terms of investment and savings. The balance left after deducting expenditure from available income is what Keynesian economists refer to as savings, which is essential for promoting long-term economic growth. The Duesenberry-Nurkse hypothesis of relative income suggests that increases in personal income are primarily used to increase consumption. This helps explain the low savings rates often observed in many less developed countries. However, individuals who experience significant increases in income tend to show higher consumption intensity as well as an increase in their savings ratio.

Ando and Modigliani (1963, 1967) proposed two influential theories related to saving behaviour: the life-cycle hypothesis and the permanent income hypothesis both of which are widely recognized neoclassical theories of savings. These theories are based on the assumption that individuals and households are motivated by long-term consumption goals and they explain saving and spending behaviour in terms of expected future income. In today's fast-paced and constantly changing world, millennials face unique challenges that shape their approach to saving. According to Crown (2002), young individuals often face significant financial commitments, such

as purchasing a home or paying for tuition, which makes it more difficult for them to save during their early years. Sam (2012) also notes that many young people do not take full advantage of available financial knowledge. He adds that undergraduate students often fail to apply financial management skills in their daily lives, which further contributes to poor saving habits. According to Jin et al. (2021), due to the global impact of COVID-19, individuals are encouraged to save and adopt stronger saving behaviours to better manage future uncertainty and financial risks. A survey conducted in China by the Survey and Research Center for China Household Finance (2020) found that, compared to the same period the previous year (before the outbreak), more than half of Chinese families increased their savings and reduced their spending. This highlights a growing awareness of the importance of saving behaviour, particularly during emergencies. Kadir et al. (2021) employed T-tests and ANOVA to examine the relationships between financial literacy, parental socialization, peer influence, self-control, financial stress and saving behaviour. Among these factors, financial literacy widely studied in existing literature emerged as a key determinant in promoting saving behaviour. This indicates that young individuals with a strong understanding of financial concepts are better equipped to manage their spending, saving and investment decisions. These findings align with the work of Sundarasan, Rahman, Othman and Danaraj (2016), Shim (2010) and Hilgert et al. (2003), who also concluded that financial literacy has a positive impact on both saving and investing habits. Interestingly, Kadir et al. (2021) also found that self-control had no significant relationship with saving behaviour, suggesting that knowledge and education may play a more critical role than personal discipline in shaping financial practices.

Kassim et al. (2020) found that students' saving behaviour is influenced by their family background, educational level and financial knowledge, as shown through multiple regression analysis. The study also highlights the important role parents play in fostering saving habits among young people. Furthermore, the results indicate that students with strong financial literacy are more likely to engage in saving behaviour. As briefly mentioned in the introduction, there is limited research on saving behaviour among youth after the COVID-19 pandemic. While some studies, such as Yudha and Martanti (2022), have been conducted on related topics, they do not specifically focus on youth's saving behaviour after the pandemic. Dewi (2022) notes that in recent years, there has been a significant global increase in financial literacy. However, many individuals still lack awareness of how financial literacy can impact their future. Numerous studies have shown that financial literacy significantly influences financial behaviour. For instance, Lusardi and Tufano (2009) found that individuals with low financial literacy are more likely to experience debt problems. In addition, several academic studies have identified social and demographic factors as key determinants of financial literacy (Bhushan & Medury, 2013; Garg & Singh, 2018; Cucinelli et al., 2019; Kadoya & Khan, 2020). Age is one of the major contributing factors, with low levels of financial literacy observed among both young and older populations (Bajo et al., 2015; Bawre & Kar, 2019). Garg and Singh (2018) also found that young people globally tend to have particularly low levels of financial literacy.

Financial literacy has been shown to influence saving behaviour (Kadir et al., 2021). Financial literacy has become increasingly important, especially in the context of the COVID-19 pandemic, which has had widespread economic impacts. Studies have shown that individuals with strong financial knowledge are better prepared to handle financial challenges and are less likely to face issues related to emergency expenses (Chhatwani & Mishra, 2021; Karakara et al., 2021). Besides, Financial management refers to behaviours related to money management, budgeting, investment, insurance and retirement planning (Mien & Thao, 2015). According to Krah et al. (2014), individuals who neglect financial management are unable to handle money wisely. He also

identified several factors that influence financial management, including setting spending limits, allocating funds within those limits, evaluating financial performance and monitoring expenditures. Montandon (2014) noted that Generation Y, or young people, are often described as being easily influenced by their peers, which supports the view that they are susceptible to social influence. He further explained that the mentality of youth is particularly vulnerable when it comes to both physical and social proximity.

Individuals who are better able to exercise self-control in managing their finances tend to display more responsible financial behaviour and make better use of their financial resources. According to De Ridder et al. (2012), a high level of self-control enhances an individual's ability to achieve personal goals and increases competitiveness in various aspects of life. They also emphasized that those who manage their money wisely and demonstrate strong self-control are more likely to succeed in achieving their financial objectives. However, not all individuals are capable of exercising such discipline. According to Lindner et al. (2015), effective personal financial management requires not only discipline to follow financial guidelines but also the adaptability to respond to changing circumstances that may impact self-control.

Recent studies in Malaysia, including Mohd Isa and Kim (2024), have found that financial literacy has a significant positive effect on saving behaviour among youth, along with attitudes and peer influence. However, perceived behavioural control (self-efficacy) was found to have a weaker impact on the saving behaviour of Malaysian youth. Additionally, youth attitudes may be shaped by recent shocks such as economic downturns and the COVID-19 pandemic which have made them more risk-averse and more aware of the importance of having financial buffers. A study by Jemey and Kasim (2023) on Malaysian youth's consumption and saving habits during the COVID-19 pandemic revealed how income changes and uncertainty influenced saving behaviour. In summary, most past studies on youth saving behaviour in Malaysia have focused on those in higher education. Furthermore, there is a lack of research examining the impact of the post-COVID-19 period on youth saving behaviour. Therefore, this study aims to fill this gap in the literature.

Method and study area

This research employs quantitative analysis techniques, specifically using survey and a stratified sampling method. The stratified sampling technique divides the population into subgroups (strata) based on a characteristic (e.g., age, gender) and random samples are drawn from each subgroup. In this study, the subgroups consist of Malaysians aged between 15 and 40 years, defined as young people in Malaysia according to the Ministry of Youth and Sports. Data for the study were collected through an online questionnaire using Google Forms. Respondents were asked to answer questions using a 5-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree). The questionnaire was divided into several sections: the first section covered demographic variables, the second focused on saving behaviour, the third examined factors influencing savings, and the final section addressed respondents' savings intentions. The forms were distributed by enumerators to ensure the sample represented the entire population of Malaysia. The data collection process was conducted via the online questionnaire survey. A total of 1,200 respondents agreed to participate in the study and completed the questionnaire. The questions addressed saving-related factors such as financial knowledge, financial management, peer influence and self-control.

After all respondents completed the form, the data were exported into a Microsoft Excel spreadsheet. The responses were then coded for analysis using the Statistical Package for the Social Sciences (SPSS). The data were transferred to SPSS and appropriately coded. Cronbach's alpha was used to assess the reliability of the responses within a group and ensure the absence of sample bias. According to Hair et al. (2007), a value of 0.60 or higher is considered adequate, 0.9 or above is considered excellent, 0.8 to 0.9 is considered very good, 0.7 to 0.8 is considered acceptable and a value between 0.6 and 0.7 is considered moderate. The results of this study show a Cronbach's alpha value of 0.94. For the demographic profile of the respondents, descriptive analysis was performed, and the results are presented in terms of frequency, percentage, and mean.

Next, this study follows a two-step approach for analyzing the collected data to identify the impact of financial management, peer influence and self-control on saving behaviours. This approach includes the assessment of both the measurement and structural models using Partial Least Squares-Structural Equation Modeling (PLS-SEM) through SmartPLS 4. PLS-SEM is a widely used statistical technique in social sciences and business research for analyzing complex relationships between observed and latent variables. One major advantage of PLS-SEM is its ability to handle small to medium sample sizes, which is beneficial when data availability is limited (Hair et al., 2021). Based on the literature and research framework, hypotheses are proposed as follows:

H1: Financial management affects savings

H2: Peer influence affects savings

H3: Self-control affects savings

Then, binary logistic regression test used to examine the effect of demographic on saving behaviour among Malaysian. Binary logistic regression is a statistical method used to model the relationship between a binary dependent variable and one or more independent (predictor) variables. The binary outcome variable typically takes values coded as 0 and 1, representing two categories such as “no savings” (0) and “has savings” (1), making it particularly relevant for research on saving behaviour among youth. Unlike linear regression, which models a continuous outcome, binary logistic regression uses the logit transformation to estimate the probability that an event occurs. This method is particularly well-suited for cases where the goal is to diagnose or classify the presence or absence of an outcome based on observed characteristics (Hosmer et al., 2013). The logistic regression model is based on the following equation:

$$\log \left(\frac{P}{1-P} \right) = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \dots + \beta_k X_k$$

Where:

- P is the probability of the event occurring (e.g., having savings),
- β_0 is the intercept,
- $\beta_1, \beta_2, \dots, \beta_k$ are coefficients for the independent variables $X_1, X_2, \dots, X_k$.

The independent in this study are gender; ethnic; residence area; marital status; income; level of education; occupation and number of dependents. The output of the model provides odds ratios that help interpret how each independent variable affects the likelihood of the outcome.

Results and discussion

Table 1. Demographic information

Information		Frequency	Percentage (%)
Gender	Female	580	48.3
	Male	620	51.7
Ethnicity	Malay	915	76.3
	Indian	152	12.7
	Chinese	106	8.8
	Others	27	2.3
Residence	City	941	78.4
	Countryside	259	21.6
Highest level of education	SPM	119	9.9
	STPM or equivalent	285	23.8
	Bachelor Degree	678	56.5
	Master Degree	93	7.8
	Doctor of Philosophy (PHD)	25	2.1
Occupation sector	Government	194	16.2
	Private	459	38.3
	Self Employed	126	10.5
	Not working/Not working yet	421	35.1
Total monthly income	Less than RM2500	616	51.3
	RM2,501- RM3,170	163	13.6
	RM3,171- RM4,850	154	12.8
	RM4,851- RM5,880	52	4.3
	RM5,881- RM7,100	68	5.7
	RM7,101- RM 8,700	31	2.6
	RM8,701- RM 10,970	49	4.1
	RM10,971- RM15,040	31	2.6
	RM15,041 and above	36	3.0
Marital status	Single	814	67.8
	Married	352	29.3
	Widows/widowers	34	2.8
Number of dependents	1-3 people	277	23.1
	4-6 people	143	11.9
	7-10 people	23	1.9
	More than 10 people	6	0.5
	None	751	62.6

Table 1 reports the demographic information of the 1,200 respondents in this study. According to Table 1, the demographic factors include gender, ethnicity, place of residence, highest level of education, type of job, total monthly income, marital status and number of dependents.

Regarding gender, 48.3% of the respondents were female, and 51.7% were male. The majority of respondents were Malays (76.3%), followed by Indians (12.7%), Chinese (8.8%) and others (2.3%). Furthermore, the majority of respondents lived in the city (78.4%), while the

remaining 21.6% lived in rural areas. In terms of education, more than half (56.5%) of the respondents had a bachelor's degree. Nearly a quarter (23.8%) had an STPM certificate or equivalent, while 9.9% had completed their education at the SPM level. Additionally, 7.8% held a master's degree and only 2.1% had a Doctor of Philosophy (PhD) degree. In terms of income, most respondents earned below RM2,500 (51.3%), followed by 13.6% earning between RM2,501 and RM3,170, and 12.8% earning between RM3,171 and RM4,850. Additionally, 5.7% of respondents earned between RM5,881 and RM7,100, while 4.3% earned between RM4,851 and RM5,880. Furthermore, 4.1% earned between RM8,701 and RM10,970 and only 3% of respondents earned RM15,041 or more.

Regarding marital status, 67.8% of respondents were single, 29.3% were married and 2.8% were widowed or widowers. As for dependents, 62.6% of respondents had no dependents, 23.1% had between one and three dependents, 11.9% had between four and six dependents, 1.9% had between seven and ten dependents and 0.5% had more than ten dependents.

PLS-SEM results

The measurement model (outer model) describes the relationship between the constructs indicators themselves. In order to assess the measurement model, reliability, convergent and discriminant validities should be confirmed. Cronbach's Alpha and composite reliability (CR) were used to measure the reliability. According to Table 2, it can be seen that the reliability is confirmed as the values of both Cronbach's Alpha and CR were above the threshold value of 0.7. For the measurement of convergent validity, factor loadings and Average Variance Extracted (AVE) are suggested to be tested. As shown in Table 2, the results indicated that both measures are ascertained as the values of factor loadings were all above the recommended value of 0.7 and the values of AVE were all above the threshold value of 0.5 except for PI but if AVE is less than 0.5, but composite reliability is higher than 0.6, convergent validity of the construct is acceptable.

To measure the discriminant validity, it has been recently indicated that the Heterotrait-Monotrait ratio (HTMT) is regarded to be the significant measure for testing the discriminant validity. It is evident from Table 3 that the HTMT ratio has also been confirmed as all the values were below the suggested value of 0.85, resulting in the fact that the discriminant validity has been established. To that end, the measurement model is confirmed and this can lead us to proceed with the assessment of the structural model

Table 2. Measurement model results

Constructs	Items	Factor loadings	Cronbach's Alpha	Composite reliability	AVE
Financial management	C21	0.827	0.813	0.871	0.577
	C22	0.776			
	C23	0.821			
	C24	0.711			
	C25	0.620			
Peer influence	C31	0.616	0.803	0.817	0.486
	C32	0.920			
	C33	0.809			
	C34	0.474			

	C35	0.572			
Self control	C41	0.812			
	C42	0.800			
	C43	0.827	0.869	0.905	0.656
	C44	0.802			
	C45	0.810			
Saving intention	D1	0.785			
	D2	0.866	0.799	0.869	0.624
	D3	0.764			
	D4	0.739			

Table 3. Fornell-Larcker Criterion

	FM	PI	SI	SC
FM	0.760			
PI	0.153	0.697		
SI	0.676	0.198	0.790	
SC	0.692	0.055	0.681	0.810

Table 4. Cross loadings results

	FM	PI	SC	SI
C21	0.847	0.083	0.637	0.601
C22	0.776	0.22	0.48	0.539
C23	0.821	0.105	0.596	0.54
C24	0.711	0.058	0.514	0.436
C25	0.62	0.112	0.376	0.428
C31	0.006	0.616	-0.102	0.048
C32	0.165	0.92	0.086	0.218
C33	0.129	0.809	0.062	0.14
C34	-0.018	0.474	-0.046	-0.008
C35	-0.012	0.572	-0.13	0.026
C41	0.605	0.038	0.812	0.552
C42	0.546	0.061	0.8	0.548
C43	0.619	0.066	0.827	0.597
C44	0.499	-0.001	0.802	0.485
C45	0.525	0.053	0.81	0.565
D1	0.508	0.16	0.552	0.785
D2	0.636	0.151	0.636	0.866
D3	0.499	0.154	0.489	0.764
D4	0.477	0.167	0.452	0.739

Table 5. Heterotrait-Monotrait ratio (HTMT) results

	FM	PI	SI	SC
FM				
PI	0.173			
SI	0.829	0.162		
SC	0.815	0.137	0.806	

The structural model describes the relationship between the latent constructs themselves. To measure the structural model, two prominent measures are suggested to be tested, including hypothesis testing and coefficient of determination (R²). The R² measure is the standard method used to examine the predictive power of the structural model. As shown in Figure 1, the model has a high predictive power, which supports almost 55.8% of the variance in the intention to save.

In terms of path analysis, Figure 1 and Table 6 demonstrates the path coefficients, p-values and t-values for each hypothesis. It can be noticed that all the hypotheses are supported, which in turn indicates that all the paths are significant by the empirical data. H1 (B = 0.368, p < 0.05) describes the path between financial management and saving intention indicating that the financial management enhances the saving intention. H2 (B = 0.119, p < 0.05) shows the path between peer influence and saving intention, revealing that peer influence positively influences the saving intention. H3 (B = 0.419, p < 0.05) demonstrates the path between self-control and saving intention; revealing that self-control positively influences the saving intention. Based on the data analysis hypothesis H1, H2 and H3 significantly affecting the saving behaviour among youth. These findings are consistent with past studies by Lindner et al. (2015),

Table 6. Hypotheses test results

Hypothesis	Path	Path coefficient	p-value	t-value	Decision
H1	FM - SI	0.368	0.000	9.370	Supported
H2	PI- SI	0.119	0.000	5.895	Supported
H3	SC - SI	0.419	0.000	10.889	Supported

Two tailed – t-value over 1.96, p-value <0.05, significant

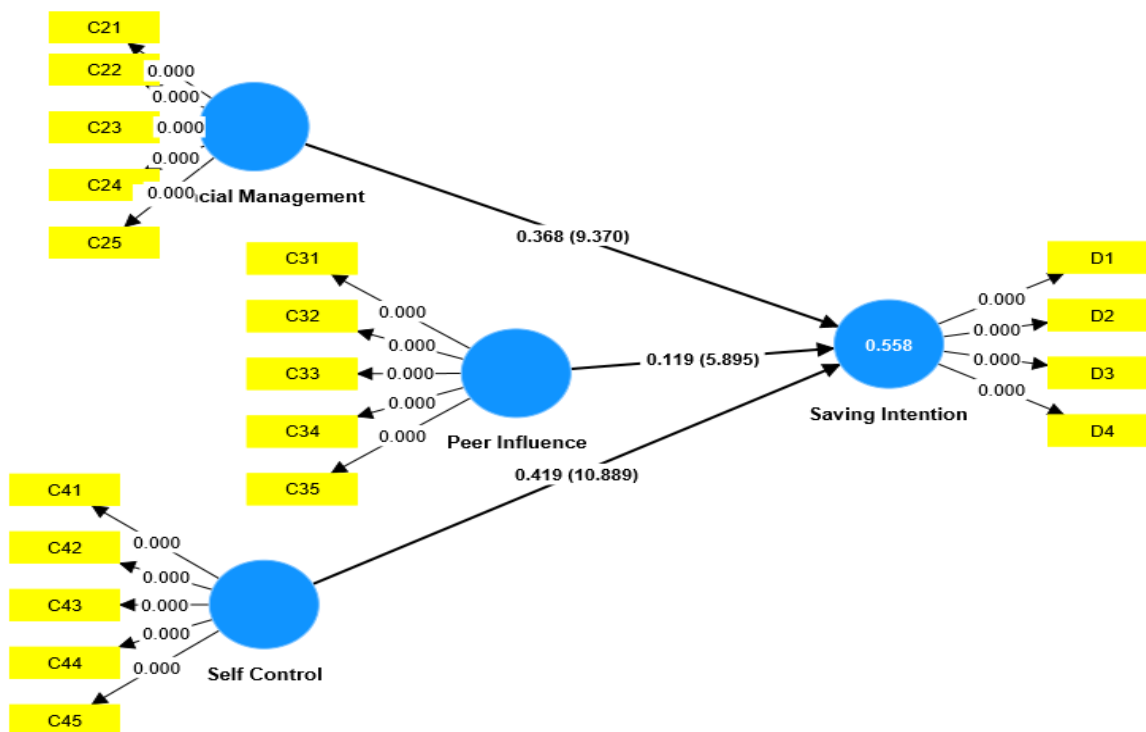


Figure 1. Path analysis results

Binary logistic regression result

Binary logistic regression applied to identify the variables associated with the saving behaviour. In addition, the joint effect of all predictor variables on dependent variables is also determined by using the Nagelkerke R² concept which is explained in the summary model. The most common assessment of the overall model fit in logistic regression is the probability ratio test, which is the difference when squared between the null model i.e., with constants only and the model contains a predictor. Based on table 3 below we can see the Model Summary that the Log -2 Probability statistic is 448.126. This shows how weakly the model predicts saving behaviour in the ok state, the smaller the value the better the model. Cox and Snell or Nagelkerke R² are statistics analogous in logistic regression to the determination coefficient R² in linear regression. The model summary provides some statistical R² estimates in logistic regression.

Table 7. Model summary

Model summary			
Step	-2 Log Likelihood	Cox & Snell R Square	Nagelkerke R Square
1	448.126 ^a	0.068	0.110

Based on table 8, it shows that the P-value is 0.149 is smaller than the significance level at 5%. We can conclude that the data do not fit this model. Since the p-value is 0.149 we reject the null hypothesis.

Table 8. Model diagnostic

HosmerLemeshow Teat			
Step	Chi-square	df	Sig.
1	12.043	8	0.149

Table 9. Binary logistic regression model result

	B	S.E.	Wald	Sig	Exp (B)
Gender	-0.239	0.247	0.936	0.333	0.788
Ethnic	0.281	0.191	2.163	0.141	1.324
Residence area	-0.041	0.324	0.016	0.899	0.959
Education level	-0.103	0.162	0.409	0.523	0.902
Occupation	0.510	0.125	16.563	<0.001	1.666
Income	-0.191	0.103	3.443	0.064	0.826
Marital status	0.872	0.457	3.642	0.056	2.393
Number of dependents	0.107	0.120	0.802	0.370	1.113
Constant	-4.170	1.245	11.216	<0.001	0.012

The binary logistic regression results show that gender, ethnicity, area of residence, education level and number of dependents have no significant effect on saving behavior. Meanwhile, occupation sector, income level and marital status exhibit a significant influence on the probability of saving. Based on Table 9, the estimated odds ratio for occupation sector is 1.666, indicating that the odds of saving for individuals working in the non-government sector are 66% higher compared to those employed in the government sector. This finding supports the results of Rath and Kaur (2017). One possible explanation is that government employees often benefit from comprehensive pension schemes, health insurance and other financial benefits, which may reduce the urgency to save aggressively for the future. In contrast, individuals in the non-government or private sector especially those without formal pension plans or with limited benefits may need to save more independently to secure their retirement and cover potential healthcare expenses. Furthermore, the coefficient of -0.191 for income suggests that earning a higher income is associated with a decrease in the log-odds of saving by 0.191. The corresponding odds ratio of 0.826 indicates that individuals with an income of RM2,500 and above are 17.4% less likely to save compared to those earning below RM2,500. This may be explained by behavioral economics, which suggests that lower-income individuals tend to be more risk-averse and prioritize financial security, prompting them to save more in anticipation of unforeseen emergencies. On the other hand, higher-income individuals may exhibit greater risk tolerance, relying on their wealth or job security and therefore may not prioritize saving to the same extent. In addition, the coefficient for marital status is 0.872, indicating that being married is associated with an increase in the log-odds of saving by 0.872. The corresponding odds ratio of 2.393 means that the odds of saving are 139% higher for married individuals compared to single individuals. This finding is consistent with the study by Chen and Li (2013), which found that married individuals tend to prioritize saving for their family's future, while single individuals are often less focused on long-term financial goals.

Conclusion

This research aimed to examine the factors influencing saving behaviours among youth in Malaysia, particularly in the context of the post-COVID-19 economic landscape. The empirical analysis found that self-control, financial management and peer influence significantly and positively impact the intention to save. These psychological and behavioural factors play a crucial role in shaping how young people approach financial planning and savings. Moreover, the study revealed that certain demographic groups, specifically married individuals, non-government workers and low-income earners have higher odds of saving. This suggests that life responsibilities, financial insecurity in private-sector jobs and economic vulnerability among low-income earners may act as motivators for developing saving habits.

Based on these findings, the government is urged to intensify efforts to promote financial education programs. Financial literacy initiatives should go beyond basic knowledge and include training in self-control, budgeting and decision-making. Interactive workshops and digital tools aimed at improving financial self-discipline could be implemented in schools, universities and community centres. Peer-led financial awareness campaigns could also be introduced as part of extracurricular activities in educational institutions. Additionally, given that non-government workers are more likely to save due to the lack of formal financial safety nets, the government should encourage saving through incentivized micro-savings schemes, matched savings programs or private pension plans tailored to the private and gig economy workforce. Policymakers could also develop tailored savings incentives for young married couples and low-income youth to support long-term saving goals and reduce future financial vulnerability. The insights from this study can inform more inclusive and effective financial policies that support the long-term financial well-being of Malaysia's younger generation.

However, a key limitation of this research is its reliance on a cross-sectional survey, which captures data at a single point in time. This limits the ability to infer causal relationships between the independent variables and saving behaviour. Future research should consider employing longitudinal data, which would be more robust in identifying behavioural trends and changes over time.

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