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I/We, hereby declared that I/We had read through this thesis and in my/our opinion that this thesis is adequate in terms of scope and quality which fulfil the requirements for the award of Bachelor of Technology Management

(Honours with High Technology Marketing)



SIGNATURE

NAME OF SUPERIVISOR : PN MISLINA BINTI ATAN @MOHD SALLEH

DATE

SIGNATURE

:

NAME OF PANEL

: PN NOR RATNA BINTI MASROM

DATE

:

**DETERMINANTS OF SPENDING BEHAVIOUR TOWARDS DEBT AMONG
YOUNG PROFESSIONAL IN MALAYSIA**

CHEW ZHEN CHANG

**The thesis is submitted in partial fulfilment of the requirements for the award of
Bachelor of Technology Management and Technopreneurship**

(Hons In High Technology Marketing)



JUNE 2019

DECLARATION OF ORIGINAL WORK

“I admit that this report is the result of my own, except certain explanations and passages where every of it is cited with sources clearly.”

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DEDICATION

I would like to dedicate the appreciation to my family members who gave me mentally and financially support respected supervisor, Dr. Mohammed Hariri Bin Bakri and Pn Mislina Binti Atan. Last but not least the panel, Pn Ratna Binti Masrom who guided me throughout the research. Also not to forget my fellow friends from other universities and course mates that assisted me throughout my research.



ACKNOWLEDGEMENT

I would like to show my gratitude to everyone who had helped and guided me throughout the process of completing this project. I would also like to apologize if I showed any disrespectfulness unintentionally.

First of all, I would like to thank my supervisor, Dr. Mohammed Hariri Bin Bakri and Pn Mislina Binti Atan for their guidance, patience and support. Without their teaching and guidance, I would not have completed this project on time. Thanks for being patient in answering my questions.

Next, I would like to thank for all my friends and course mated by giving me support and advice. Thanks for explaining to me when I did not understand the process of this project, even at midnight. Other than that, not forgetting my family especially my parents, thanks for having my back all the time.

Lastly, thanks to Universiti Teknikal Malaysia Melaka (UTeM) for all the facilities provided to enable me to generate creative ideas and get the resources easily. Thanks for providing such a nice environment for students to do and discuss the project. I would also like to thanks Faculty of Technology Management and Technopreneurship. In a nutshell, thank you everyone encouragement and contribution.

Abstract

Malaysia was reported that having high household debt to gross domestic product (GDP), this advocate that on average young Malaysians are committing to higher debt levels beyond their means. So, the aim of this study is to examine the spending behaviour towards debt among young professional in Malaysia by using theory of planned behaviour. This study was conducted to identify the components that effect spending behaviour towards debt and lastly to examine the relationship between components with spending behaviour towards debt. The total 422 questionnaires were distributed and completed by the young professional. Data was analysed by using descriptive, t test, factor analysis, Pearson Correlation and Multiple Regression that included in Statistical Package for Social Science (SPSS). The results firstly revealed that subjective norm is the components that influence most on the spending behaviour towards debt among young professional in Malaysia. Secondly, it shows that financial literacy has positive relationship with spending habits where higher level of financial literacy will influence the most desirable spending habits. Thirdly, financial attitude was inconsistent with previous research that stated financial attitude as most influencing towards spending behaviour. Lastly, the result indicates that perceived behavioural control only have negligible positive relationship with spending behaviour towards debt. For the theoretical contribution, the research found that the theories of planned behaviour are valid which can be used to identify the causes of financial issues and indebt-ness. As for future research it is recommended to extend these results in other geographical areas such as focused in certain state. Thus, the researcher can get more details analysed data and comparing the result by each state in Malaysia.

Keywords: Subjective Norms, Financial Literacy, Financial Attitude, Perceived Behavioural Control

Abstrak

Malaysia dilaporkan bahawa memiliki hutang isi rumah yang tinggi kepada Keluaran Dalam Negara Kasar (KDNK), hal ini menyatakan bahawa golongan muda di Malaysia mempunyai tahap hutang yang berada di luar kemampuannya. Jadi, tujuan kajian ini adalah untuk mengkaji tingkah laku perbelanjaan yang menyebabkan kalangan profesional muda di Malaysia berhutang dengan menggunakan teori tingkah laku yang dirancang. Kajian ini dijalankan untuk mengenal pasti komponen-komponen yang mempengaruhi perbelanjaan tingkah laku terhadap hutang dan seterusnya untuk mengkaji hubungan antara komponen dengan tingkah laku perbelanjaan terhadap hutang. Jumlah 422 soal selidik telah diedarkan dan disiapkan oleh profesional muda. Data dianalisis dengan menggunakan deskriptif, ujian t, analisis faktor, Korelasi Pearson dan Regresi Pelbagai yang termasuk dalam Pakej Statistik untuk Sains Sosial (SPSS). Keputusan pertama menunjukkan bahawa norma subjektif adalah komponen yang paling mempengaruhi kelakuan perbelanjaan terhadap hutang di kalangan profesional muda di Malaysia. Kedua, menunjukkan bahawa celik kewangan mempunyai hubungan positif dengan tabiat perbelanjaan di mana tahap celik kewangan yang lebih tinggi akan mempengaruhi tabiat perbelanjaan yang paling diingini. Ketiga, keputusan sikap kewangan adalah tidak konsisten dengan penyelidikan terdahulu yang menyatakan sikap kewangan yang paling berpengaruh terhadap tingkah laku perbelanjaan. Akhir sekali, hasilnya menunjukkan bahawa kawalan tingkah laku hanya mempunyai sedikit hubungan positif dengan perbelanjaan tingkah laku terhadap hutang. Bagi sumbangan teori, penyelidikan mendapati bahawa teori tentang tingkah laku yang dirancang adalah boleh digunakan untuk mengenal pasti punca masalah kewangan. Bagi penyelidikan masa depan, disyorkan untuk melanjutkan keputusan ini di negeri lain bagi mendapatkan maklumat terperinci dan dianalisis dan membandingkan keputusan antara negeri di Malaysia.

Kata Kunci: Norma Subjektif, Celik Kewangan, Sikap Kewangan, Kawalan Tingkah Laku

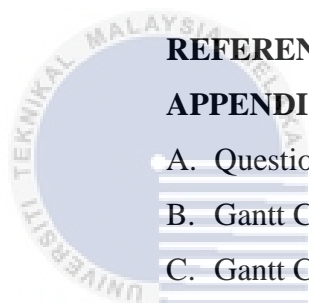
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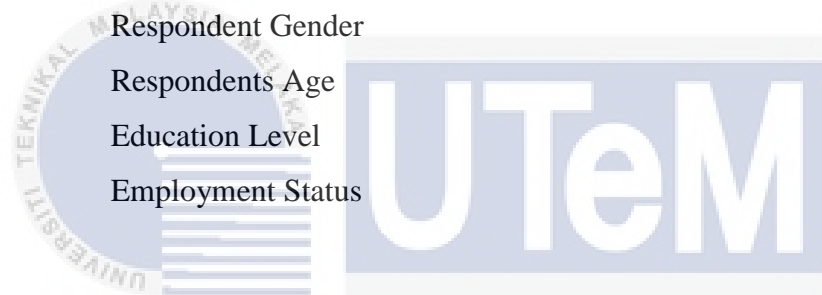
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LIST OF ABBREVIATIONS

Theory Of Planned Behaviour	TPB
Theory Of Reasoned Action	TRA
Kaiser-Meyer-Olkin	KMO
Analysis of Variance	ANOVA
Financial Attitude	FA
Subjective Norms	SN
Perceived Behavioural Control	PBC
Financial Literacy	FL



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CHAPTER ONE

INTRODUCTION

This chapter will discuss the background of the research regarding the Theory Planned Behaviour components which affecting spending behaviour towards debt among young professional by using Theory Planned Behaviour. There are also problem statement, research questions and objectives, the scope of the study, significant of study, the contribution of the research and limitation will be discussed in this chapter.

1.1 Background Of Study

Financial is a wide word that used to define many elements of finance, such as financial instruments, financial services, financial institution, financial consultants and financial planning (Business Dictionary, 2018). In this research study, the researcher focuses on spending behaviour and debt among young professional in Malaysia because in developing country like Malaysia, most of the citizens have issue with financial planning or money management. There are several reasons for these problems such as the abilities needed for financial planning and money management don't just occur, it needs to be learned. Second, it is not always simple to learn the economic abilities and the financial planning courses may not be easy accessible in high school. In addition, the healthy savings habits may not be taught, shown, or even discussed at home. Furthermore, absence of economic understanding

will lead to wage-related thinking where salary will not increase as a consequence of financial planning. Having a financial plan will assist individuals better in allocate the cast as they earn to the financial objectives that are real importance to both today and in the future. People need to plan their finances for present and future position by creating, pursuing and achieving multiple economic and personal objectives. A good financial behaviour can be seen from a person's approach in managing cash input and output, managing loans and investments.

Financial education and financial literacy have recently become topics of concern at domestic and global level for governments, multiple financial institutions, educational institutions, media and other organizations (Opletalová, 2015). As a consequence, researcher has seen many research, initiatives and strategies being implemented or even the incorporation of economic literacy subjects into classroom education. This is because many economy choices, such as interest rates and inflation, require fundamental understanding of financial concepts. However, most individual lack this kind of understanding. From the average young Malaysians commit to greater rates of debt beyond their means, the proof can be seen. This proof was endorsed in the 2015 Report of the Bank Negara Financial Stability and Payment System (Bank Negara Malaysia, 2015).

Financial planning and management can be part of everyday life when thinking about personal financial management, economic and administrative aspects are involved on stage in relations between individuals. In addition, there is increasing proof that people with greater financial literacy have better economic results and the financial decision-making is improved in their lives (Lusardi and Mitchell, 2014), the finding was similar with (Lajuni *et al.*, 2018) where the researcher stated that financial management and attitude that will guide individual to achieve their life and financial goals. Financial management is set of behaviour and decisions with different degree of importance and ease of implementation depending to individual's needs, priorities, and skills.

Although the World's Leading Economists' Economic Forecasts indicated that the information for the third quarter of Malaysia's national accounts are still exceptional and monthly indicators indicate that the economy has accelerated

(Malaysia Economic Outlook, 2018). The Star newspaper on 22 June 2015 revealed that since 2010, nearly 25,000 Malaysians under the age of 35 have become bankrupt (Martin, 2015). Malaysia's bankruptcy cases were mainly triggered by the failure to maintain debt owing to hire transaction acquisition, mortgage, personal loans, being a guarantor, and credit card debt trap. Previous literature indicates that there are several variables that can effect household debt levels and others factos are materialism (Gardarsdottir and Dittmar, 2012), money management skills (Donnelly, 2012) and income level (Gardarsdottir and Dittmar, 2012; Teoh, 2013). However, most of the past researches concentrate on credit card debt and student debt which may not generalize the results to other kinds of consumer debt. Thus, researcher intends to study about how spending behaviour will influence debt among young professional.

The Theory of Planned Behaviour components namely attitude, subjective norm and perceived behavioural control which was discovered and proposed by (Ajzen, 1991) was use in this research to hypothesises the relationship between the impact of the components towards debt among young professional in Malaysia. However, to get better knowledge regarding the topic, research revise theory of planned behaviour with a view to check the validity and enable better understanding of spending behaviour towards debt among young professional in Malaysia.

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Hence, this study will cover spending behaviour and debt among young professional in Malaysia due to the current problem faced by young professional. Also, (Adzis, Bakar and Shahar, 2017) suggested that future studies may include other factors such as financial literacy, self-control, expenditure trends, compulsive purchasing, and economic concerns. The problem of economic literacy in the future should be taken into account as only 36 per cent of Malaysian adults are financially educated (Klapper, Lusardi, and Oudheusden, 2015) compared to its nearest neighbour, Singapore which scored 59 per cent financially literate. This study will identify how financial behaviour influence debt of young professional in Malaysia by using components of theory of planned behaviour based on revised behaviour components in theory of planned behaviour framework throughout this study.

1.1.1 Overview Of Debt Among Young Professional In Malaysia

According to the 2013 report and survey conducted by the Federation of Malaysian Consumers Associations (FOMCA), 37% of young Malaysians were found to be live beyond their means while 47% used more than one-third of their monthly salary to settle debts (Federation of Malaysians Consumers Associations, 2013). Young professional often make poor financial decisions which save too little for retirement (Lusardi, 1999), young professional often spend too much (Sotiropoulos and Astous, 2013) and failed to pay their bills on time. However, young professional do not make poor financial decisions all the time, there was certain young professional are more or less likely to make poor financial decisions. In addition, due to their financial behaviour, some of the young experts are less likely to feel worried about financial issues. This behavioural variety is a challenge to one-model-fits-all economic behaviour theories and has been concerned with understanding the role of individual differences in spending behaviour and financial well-being as a consequence of latest studies.

In Malaysia, one of the most significant decisions that a family faces is the choice to purchase a house. Most young families choose to purchase a house through mortgage. But mortgages are complicated financial instruments and this complexity might be a barriers or obstacle to becoming homeowners for less sophisticated homes. Financial literacy has an impact on young households' mortgage types and leverage situation. Young homeowners with less financial literacy taking on higher mortgage debts and are more likely to use alternative mortgage products.

Hence, it is essential to study the spending behaviour from theory of planned behaviour that affecting debt among young professional in Malaysia which can cure the problem that currently facing by young professional in Malaysia. Thus, young professional's concern about debt can be improved in certain way or behaviour that brings effect on debt.

1.2 Problem Statements

Malaysia revealed elevated household debt to gross domestic product (GDP) in 2015, increasing from 60% to 89.1% in 2008 (Bank Negara Malaysia, 2015). The Star newspaper of 22 June 2015 stated that since 2010 nearly 25,000 Malaysians under the age of 35 have face bankruptcy (Martin, 2015). This advocates unconditionally that young Malaysians commit to greater rates of debt beyond their means on average. The friendly loan atmosphere or the ease of acquiring loan equipment is often the blame for financial resource mismanagement, such as overspending and over borrowing, which is likely to boost the probability of financial bankruptcy.

Overall results show that extremely materialistic individuals will have greater levels of debt, individuals with good money management abilities will have lesser debt and individuals with smaller salary will have greater debt. However, most of the past researches concentrate on credit card debt and student debt, where results might not be generalizable to other kinds of consumer debt such as residential loans, personal loans and hire purchase loan. In addition, there are restricted studies that explore factors that lead to customer debts in Malaysia especially among young professional.

Malaysia like to spend even though the prices of products and services are comparatively high (Alias, Rashid and Chye, 2010). In addition, a research by (Ahmad, 2016) indicates that 25 per cent people in Malaysia who have elevated credit card debts generally have poor financial planning abilities. The same research also shows that young expert aged between 30 to 40 years is facing credit card default due to unnecessary expenditure.

Thus, this research expands the existing research by concentrating on general public samples. Those young professional within the age of 21-35 years and include different kinds of consumer debt to evaluate debt level such as credit card, housing loan, hire purchase loan, personal loan, and educational loan. This research presents one big question: Do financial attitude, subjective norm, perceived behavioural control and financial literacy effect the debt level of young professional in Malaysia?

Therefore, the aim of this research is to explore the relationship of the spending behaviour towards debt among young professionals in Malaysia.

There are previous study done by a group of experts applied the theory of planned behaviour to explore how college learners shape their spending behaviours such as money, credit, and saving management. The finding by Shim et al. (2007) showed that the behavioral intention indicated in the theory of planned behaviour is linked to the intention and will lead to the behavior. However, researches about young professional towards debt using TPB as framework haven't been found. Thus, the researcher will applied TPB to research the connection of TPB components and spending behaviour towards debts.

Hence, to improve researcher's understanding of how people make financial behaviour and it components influence young professional debt in Malaysia. In this study, researcher explores the effect of financial behaviour's effect on debt toward young professional.

1.3 Research Questions

The research question was the fundamental aspects of this research since it would focus on the area of concern, determine the suitable methodology and continuously guide this research into the stages of research which mainly consisted of inquiry, analysis and reporting. This research attempts to address the following research questions:

- I. What are the components of spending behaviour that effect young professional debt?
- II. What is the relationship between components of spending behaviour and debt among young professional?
- III. Which are the most significant components of spending behaviour that influence on debt among young professional?

1.4 Research Objectives

The objectives of the study were to identify the effect of spending behaviour that would influence debt among young professional. In order to fully achieve the study purpose, research objectives were developed to guide through this research. The research objectives were stated as below:

- I. To identify the components that effecting spending behaviour toward debt among young professional.
- II. To analyse the relationship between components of spending behaviour and debt among young professional.
- III. To examine the most significant components of spending behaviour that influence on debt among young professional.

1.5 Scope Of Study

The scope of study for this research was to identify the effect of spending behaviour towards debt among young professional in Malaysia. The theory of planned behaviour components was use to examined including behaviour, attitude, subjective norm and perceived control behaviour. Furthermore, this research will be focused on young professionals in Malaysia. This is because Federation of Malaysian Consumers Associations (FOMCA) in 2013 disclosed that 37% of young Malaysians were found to live beyond their means and 47% used more than one-third of their monthly salary to settle debts (Federation of Malaysians Consumers Associations, 2013). Moreover, the population of Malaysia can be segment to different categories which have different education level, age and race. According to The Labour Force Survey (LFS) undertaken by the Department of Statistics Malaysia (DOSM), Malaysia's share of high skill employment in 2016 is 27.3 per cent in managerial, professional or technician position. Positively, the labour force's educational background is improving. In 2016, the share of tertiary trained labour was 27.7%. Which means that Malaysia has 8.78 million young professionals (Talent Corp,

2016)? Thus, this research will involve 384 samples of participants. In addition, this research also uses the theory of planned behaviour.

This research will be held within a specified time-period and the instruments that will be used are the web questionnaires with closed-ended questions through online. Demographics characteristics of respondents which can take into consideration are gender, age, ethnicity, employment level, education background and spending behaviour of young professional. Moreover, the respondents will be targeted the young professional which age below 35 years old. This is because young professionals are characterized as individuals who are extremely entrepreneurial and civic.

1.6 Significant Of Study

Spending behaviour has been the root of debt among everyone. Yet, people are still not aware of how to manage their personal finance to avoid debt among them. There could be many factors which cause debt such as spending behaviour, financial attitude, subjective norm, perceived control behaviour and financial literacy. This is because financial behaviour requires everything with their self-preferences. Hence, it is very important for the researcher to identify what components from theory planned behaviour will influence young professional's financial behaviour towards debt in Malaysia.

Besides, this research finding will benefit the young professional in Malaysia as information provides a valuable insight which might help the local and foreign to reduce debt and develop an appropriate strategy and tactical planning to lower debts in Malaysia. Therefore, it is crucial to considering the impact of spending behaviour towards debt among young professional. By understanding the behavioural of young professional, it helps the young professional to lower their debt. Moreover, this research can be handy for future researchers as for the reference to their work if there are short of previous paper regarding the spending behaviour towards debt among young professional in Malaysia.

1.7 Contribution Of The Research

In order to reach excellent debt reduction through financial behaviour, several factors have been considered to attract young professional to make wise decision. The result from this research which provides more evidence that covers financial behaviour from theory of planned behaviour which influences the debt among young professional. Besides, there are also findings found to support that applying behaviour theory to financial behaviour (Xiao, 2008). Moreover, it also provides a benchmark for financial behaviour toward debt among young professional in Malaysia.

Furthermore, the results of this research will assist future researchers to determine the gaps that need to be inserted for further studied in this region. The researchers can get benefit from as taking it to be the reference for their work which will also assist them in choosing suitable variables to be used for the test in their research. Last but not least, the findings of this research will contribute to those post graduate students to have a better understanding towards debt and economic in Malaysia.

1.8 Limitation

In this study, there are several constraints that limit the research to acquire the full and significant data. One of the limitations found when conducting this research study was the time constraints. Data collection was a time consuming risk. It had taken around one month to gather all the responses from target respondents to a large sample size and geographical coverage. Besides, the accuracy of the result appeared to be another limitation of this study. Due to time constraints, the research study will cover every state in Malaysia however there were more focus on Peninsular Malaysia. Hence, all the respondents would be assumed had provided honest and accurate answer in this study.

1.9 Summary

This chapter established the foundation for this research. It introduces the background of study which regarding the implementation of theory of planned behaviour components affecting debt among young professional in Malaysia. There are also problem statements that generate the need of this research study. Furthermore, there are three research questions and research objectives that had been discussed in this chapter. The scopes of study which focus on examine the variables such as financial literacy, financial attitude, subjective norm and perceived control behaviour. Besides, the population of respondents will focus on young profession which is 8.78 million people in Malaysia (Talent Corp 2016).

Moreover, the significant of the study is to contribute knowledge to young professional in Malaysia as understanding financial behaviour will help to lower the debt which can help them to sustain a better life in current or in the future. There are some limitation of the study which is time constraints in collecting data and completing the report. Based on the research foundations, the researcher proceeds to the next chapter for discussing the literature review and theoretical research framework.

CHAPTER TWO

LITERATURE REVIEW

This chapter discusses how theory of planned behaviour can be implemented to spending behaviour towards debt's research. This chapter first describe how to define spending behaviour and examine the issues, factors, idea, viewpoint and the finding of the research that others had undertaken in the study area. The components from theory planned behaviour also will be discussed, as representing independents variables such as financial attitude, subjective norms, perceived behavioural control and financial literacy that effecting debt among young professional. The theoretical framework and research framework are best described the theory with the relevant variables identified and discussed how they were related.

2.1 Definition of Spending Behaviour

Spending behaviour of youth has change over the years with the revolution of retail sector around the world. By overexposing large companies' marketing communication operation, youth have become more brand conscious causing them to spend enormous quantity of their salary on entertainment and gadget. The spending power of youth had increased over the year and causes some of the youth face bankruptcy when they are overspending without knowing their limit. The researcher will therefore determine the relationship between spending behaviour towards debt

and its components. The research will concentrate on behavioural of young professional expenditure as young professional are financial autonomous and they will manage their personal finances. Thus, then spending behaviour of young professional are worth to be research. Today's young people are developing in a culture of duty support to luxurious lifestyles and easy credit (Dugas, 2001).

The result of the findings showed that people with higher spending behaviour are well in managing their finances. In this research, the researcher will focus on behaviour towards outcome which is how components of Theory Planned Behaviour influence the increased savings and debts reduction resulting positive spending behaviours because according to Ajzen and Fishbein (1980) behaviours should lead to outcome.

Besides that, there was evidence saying that the way of how an individual acts will have a major impact on his or her financial well-being. The result was showed in Bucher, Lusardi and Alessie (2016) research which indicated that people with good spending behaviour are more likely to participate in equity stocks and official financial markets. The research of Agarwalla et al. (2013) discovered that the most of working Indian youth are desirable for financial behaviour that consists of self-disciplined in managing household finance and personal money, assess to products affordability, set financial goals and evaluate economical products by depending on their savings or assets. The result of Agarwalla et al. (2013) is equivalent to OECD nation's survey results.

Furthermore, there were research found that people with money management problems are more likely to suffer from credit withdrawals and unforeseen expenditure for long term and lead to over-indebtedness (Gathergood, 2012). Ahtziger 2015 discovered that low self-control individuals are more likely to engage in compulsive shopping which triggers low saving behaviour. Household with money management issues are due to absence of planning, tracking or engagement as shown in Biljanovska and Palligkinis (2015) research. While Choi, Laibson and Madrian (2011) discovered that individuals with poor money management will be less probable to save enough retirement money.

2.2 Definition Of Debt

Debt is different from income or wealth because it has to be reimbursed (Schneider, Daniel 2011; Vespa, Jonathan, 2011). According to Graeber 2014 and Oxford 2016 defining debt as the due state of money and the other meaning is a feeling of service or profit appreciation. Debt is seen in many societies as a burden. In some ways, debt is like income or wealth because it can finance the consumption of goods and services through cash sources to support life-style choices and investments like college education and home ownership.

As the present debt portfolios of young adult's have become more complicated, it is therefore essential for the researcher to know how debt impacts other elements of the adult transformation. In Sweet, DuBois and Stanley (2018) finding, the researcher discovered that many adults living with long term financial debt, understanding of personal accountability, shame, and failure influences their debt experience through history. Psychological experiences of financial indebtedness lead to shame and guilt resulting from failure to satisfy cash management expectations (Sweet, DuBois, Stanley, 2018).

Since the financial crisis in 2008, study has emerged that exploring the health effect of debt is line to depression and bad mental health, low self-esteem, increased blood pressure, bad sleep quality an reduced aggregate life expectancy (Clayton, Liñares, and Wilson, 2015; Drentea and Reynolds, 2012; Kalousova and Burgard, 2013; Richardson, Elliott and Roberts 2013; Sweet et al. 2013; Walsemann, Ailshire and Gee, 2016; Zurlo, Yoon and Kim, 2014).

Moreover, there were finding stated that young homeowners with poor financial literacy are more probable to take on hypothetical debts and use other hypothetical products (Gathergood and Weber, 2017) and debt may have an indirect impact on marriage choices (Addo and Fenaba, 2014). The population mortgage financial literacy is usually small and impacts younger households' mortgage type and leverage position.

In addition, debt can be an significant key transition that may have an impact on fertility in the early years prior to economic life becoming more stable (Bozick, Robert and Angela, 2014). Bozick, Robert, and Angela (2014), also discover that debt primarily delays marriage rather than encourage young people to give up marriage altogether.

2.2.1 The Categories Of Debt

Debt can be defined as the amount of money borrowed by one party from another party. It can be in corporation or individual who usually borrow money because they could not afford to buy the things in large number of amount. Thus, debt generally grants approval to borrow cash to the borrowing party on the basis that it is payable later with interest or no interest. There are several types of common debts such as credit card debts, medical debts and student loan debts (Debt Collection Laws, 2014). However, debt also comes in several forms which including secured debt, unsecured debt, revolving debt and mortgages (Investopedia, 2014).

A secured debt is any debt that is endorsed by an asset for the mortgage purposes. The lender must conduct a credit check to determine how you handle the debt responsibly, but if you do not repay the loan, the asset will be mortgaged to the lender. There is no guarantee of unsecured debt when a lender has no assets to make a loan as collateral, it will only rely on your readiness and engagement to repay the loan. Of course the contractual agreement still requires you to repay the funds, so if you default; the lender can file a lawsuit to recover the arrears. However, this will incur enormous cost for the lender, so unsecured debt generally leads to greater interest rates. Credit cards, signed loans, gym affiliation agreements, and medical bills are some instances of unsecured debt.

Debt revolving is an agreement between lenders and customers that enables consumers to regularly borrow the ceiling. Examples of revolving debt are credit lines and credit cards. Credit cards have credit lines and before reaching the limit, customers can pay freely any sum below the limit. The amount of repayment of the

revolving debt varies depending on the quantity of appropriations presently financed. Revolving debt can be unsecured, such as a credit card, guarantee and home equity line of credit.

Mortgage loans are probably the most prevalent and biggest debt that many consumers bear. A mortgage is a loan to buy a home, and the subject real estate is used as collateral for the loan. Mortgage loans usually have the lowest interest rate for any consumer loan product and are tax-free for those who are taxed on a case-by-case basis. Mortgages are usually issued within a 15 to 30 year period to guarantee affordable monthly payments to homeowners.

Most of Malaysia's bankruptcy cases were mainly triggered by the failure to maintain debt owing to hire transaction acquisition, mortgage, personal loans, being a guarantor, and credit card debt trap.

2.3 Definition Of Young Professional

According to International Association for Energy Economics 2018, young professionals are people who have full-time employment within two years of completing from a full-time Bachelors, Masters or PhD program and are under the age of 35 (IAEE.org, 2018). Young professionals generally have smaller incomes than elderly employees and minimum assets in line with their liabilities (Houle and Jason, 2014). In addition, young professional typically accumulated few assets and still haven't achieve their complete income potential, so student loans can be particularly burdensome as they initially establish their independence (Houle and Jason, 2014), especially if high levels of debt cause to unexpected distress. The debt portfolios of young professional have changed over time and become more dominated by student loans, which can have distinct impacts on early life transitions than other unsecured debts such as credit card debt and secured debt like mortgages (Addo and Fenaba, 2014; Bozick, Robert, and Angela, 2014; Houle and Jason, 2014).

According to Mateescu and Neagu (2014), the labour market are seeking for specialization with objective that will differentiating the applicants who consist of the possession of particular abilities and practicing critical and creative thinking. It is necessary to guarantee that the professional and personal development stage can be fully fulfilled in order to obtain the anticipated economic outcomes; many young experts choose professional migration hoping that this will give them the fulfilment of the dreams of young professional. What concerns and creates the disadvantages for school-leavers is macroeconomic level due of the elements linked to behavioural motivation, opportunities for advancement career building, recognition of permissive quality of life standards and financial situation. All these disadvantages can be addressed through continuous financial policies, helping and supporting the young professional by offering contemporary company environment education strategies, concentrating on enhancing the quality of professional results and involving young professional in the promotion and support of execution programs.

Therefore, the financial wishes and hopes of young professionals can be affected, which is likely to underpin the behavioral choice that may or may not lead to greater indebtedness and national economy.

اوتومر سیتی تکنیکل ملیسیا ملاک

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2.4 Components of Theory Planned Behaviour

Components of theory of planned behaviour have been widely use in examine the consumer behaviour's financial services which included decision making of investment, applying mortgage and credit card services. In (East, 1993) research, the researcher had extended the theory of planned behaviour to identify the decision making of investment among British consumers and the finding of that research was supported theory of planned behaviour. Besides that, the components of theory of planned behaviour also been used to examine the customer switching behaviour among the mortgage clients (Bansal and Taylor, 2002). Furthermore, Xiao and Wu (2006) also used components of theory of planned behaviour to examine the factors that related to consumer behaviour in completing a debt management plan.

In Xiao (2008) research, the researcher suggested that in future research, the inventory of financial behaviour that covers all aspect of behavioural relevant to consumer finance need to be develop because it will be helpful for financial educator and others research. Thus in this research, the components of theory of planned behaviour will be used to examine the financial behaviour towards debt among young professional which consists of financial attitude, subjective norm, perceived behavioural control and financial literacy.

Table 2.1: Definition of Components Of Theory Planned Behaviour.

Source: (Ajzen, 1991)

Attributes	Definition
Attitude	Refers to the degree to which a person has a favourable or unfavourable evaluation or appraisal of the behaviour in question.
Subjective Norm	Refers to the perceived social pressure to perform or not to perform the behaviour.
Perceived Behavioural Control	Refers to the perceived ease or difficulty of performing the behaviour and it is assumed to reflect past experience as well as anticipated impediments and obstacles.

2.4.1 Financial Attitude

Financial attitude is the pre-disposition to act in a specific way that arises from certain financial and non-economic views that the person possesses about the outcome of certain behaviour (Ajzen, 1991). Attitude and preferences are regarded as

essential financial literacy elements (OECD, 2013). Individuals with positive financial attitude were more likely to have favourable attitude towards planning (Atkinson and Messy, 2012; Agarwalla et al. 2013), reduced inflation expectations (Bruine at al. 2010), higher savings propensity (Atkinson and Messy, 2012; Agarwalla et al. 2013), reduced consumption propensity and elevated risk tolerance (Yu et al. 2015).

Rooij, Lusardi and Alessie (2009) argued that for retirement planning, families did not have a favourable financial attitude and only a tiny group of people thought a lot about pension. Researched conducted by Agarwalla et al. (2013) found that round half of the working young respondents are showing favourable attitude towards financial planning and a small inclination to buy the information gathered showed that Indian youth respondent economic awareness was weaker than less-developed country of Eurozone.

In the research of Susan et al. (2017), the research analyses the effect of financial knowledge on financial attitude and its impact on financial behaviour using Structural Equation Modelling to determine the causal relationship between related variables. The result of this research showed that the effect of financial knowledge on financial attitude and its impact on financial behaviour.

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2.4.2 Subjective Norms

Subjective norms are the perception by an individual of the social pressure to execute target behaviour or not (Ajzen, 1991; Francis et al. 2004). It can also be described as the perception of the opinions and ideas of other people on the suggested behaviour by the individual. In general, subjective norm is an individual perception about the specific behaviour that affects by the judgment of significant others such as parents, spouse, friends and teachers.

In this literature review, the research found that there are few studies analyse the impact of parental education on adolescents. According to Kim, Yang and Lee

(2015) finding that the practice of parental education such as shopping with kids and deliberate regarding finances and various parenting styles will influence economic socialization. Focusing on financial behaviour, research of Webley, Paul and Ellen (2013) show that parental education, such as motivating kids to save and learn budgeting, has a beneficial impact on the future direction and savings rates of young adults between the ages of 18 to 32. Buccioli, Alessandro and Marcella (2014) research disclose that any types of parental education obtained during adolescence have a beneficial impact on the savings behaviour of adults between the ages of 18 to 80 years old. Moreover, Fernandes, Lynch and Netemeyer (2014) categorizes financial education as an information awareness from a policy mix which including offering more choices, providing better information and providing incentives for young professional to change behaviours.

It seems reasonable that financial literacy is a channel contributes to better expenditure behaviour through financial socialization by parents. Parents who are actively influencing their kids by attempting to install healthy behaviour on their kids will make better choices and learn about finances. In the literature on economic socialization, the significance of financial learning and parental communication is well created. Several studies indicate that the impact of family through any other socializing agent is far greater than financial socialization.

Results of the study showed that subjective norms considerably moderate the interaction between attitudes and financial behaviour as well as between perceived behaviour control and spending behaviour. In addition, the attitude towards expenditure behaviour is considerably influenced by subjective norms (Al-Swidi *et al.*, 2014).

2.4.3 Perceived Behavioural Control

Perceived behavioural control concerns with individuals' own judgment about their capabilities to engage in a particular behaviour (Ajzen, 1991). In more general terms, it meaning that perceived behavioural control is how the individual's

ability to control their behaviour. There were findings have been found about the approach knowledge toward impact of debt on health. Growing epidemiological evidence has shown that debt is a socioeconomic determinant of health (Richardson, Elliott and Roberts, 2013; Sweet et al. 2013), but the instrument through which it function remain largely unexplored. Reliable linkages between indebtedness and unfavourable emotional health results suggest that elevated stress and other psychosocial variables may play significant roles in mediating the effect of debt on aspects of physical health. The results described here encourages that a significant factor could also be a more particular psychological manifestation of indebtedness in the manner of a sense of personal failure.

A psychosocial stress pathway was hypothesized (Drentea and Reynolds, 2012; Sweet et al. 2013), it seems likely that the factors involved emotions of personal powerlessness and restricted control of life decisions (Whitehead et al. 2016). However, extensive testing of these structures are required, and the present research on debt and health study still lacks critical reflection of either the political economic forces to structuring consumer indebtedness or how healthy is adversely affected by their daily living wisdom.

Besides that, the researcher also includes materialism as perceived behavioural control because materialism is about the values and desire of a person for money, possessions which also serve as perceived behavioural control. The compulsive consumption is when an individual feels unable to regulate the consumption urge, often because she or he is attempting to fill some emptiness or overcome anxiety. Materialism and compulsive consumption are the same (Kasser, 2014).

The past research finding argue that individual differences in psychological resources are associated with perceptual judgments (Lee and Schnall, 2014; Slepian, Masicampo and Galinsky 2016). In addition, the cognitive association of personal debt with failure also captures the phenomena of shame and stigma, which are both separately essential as health determinants and may need further inquiry in debt epidemiology. Psychological research suggests that feelings of shame may arise either from particular external sources such as being directly or publicly shamed or

from inner self-assessments based on perceived social disapproval are linked to negative psychological health outcomes (Starrin, Aslund and Nilsson, 2009). There is also evidence that social assessment risk from fear of exposed to failure is a critical element of shameful overall cognitive processes (Dickerson, Gruenewald and Kemeny, 2004). The finding showed that shame could be an intrinsic element of a monetary debt failure cognitive connection.

2.4.4 Financial Literacy

The word financial literacy was first used in United States of America in 1787, when John Adams delivered a letter to Thomas Jefferson stating the need for financial literacy in order to overcome the uncertainty and rampant poverty that had arisen in America due to ignorance of credit, circulation and nature of the coin (Capital One Financial Corporation, 2014). Subsequently, several advancement took place and the term financial literacy was used again and again by different researchers, organisations and governments and was addressed differently (Hung, Parker and Yoong, 2009). Remund (2010) reviewed various research studies since 2000 and considered the conducting of research on financial literacy a big challenge as there was no well-defined standard definition of financial literacy in the literature.

However, researchers considered that financial literacy are synonymous to financial knowledge (Lusardi and Mitchell 2011; Bucher, Lusardi and Alessie 2016). Lusardi (2008); Lusardi and Mitchell (2011) conceptualized financial literacy as an understanding of fundamental financial opinions and an easy calculations capability. Mandell (2007) defined financial literacy as “the ability to assess the new and complex financial instruments and make informed judgments in both choice of instruments and in the extent to which their best long-term interests”. Lusardi and Tufano (2009) recorded debt literacy as an significant aspect of financial literacy and thus embraced the capability to make simple decisions regarding debt decision and applying interest synthesise expertise to real-life circumstances. A commonly accepted overarching definition conceived of financial literacy by the Organisation for Economic Co-operation and Development (OECD) conceptualised financial

literacy as “knowledge and comprehension of financial concepts and hazards, and the abilities, motivation and confidence to apply such expertise and comprehension in order to make effective choices across a variety of financial situation, enhance financial well-being of people and society, and allow economic involvement” (OECD, 2014).

Financial literacy can be seen as a element of human capital (Huston, 2010) and (Lusardi and Mitchell, 2014) emphasise financial literacy is a decision so that wealth can be regarded endogenously along with some selected level of economic ignorance. When mentioned as human capital elements, Finke and Huston (2014), claims that this prevents the inclusion of financial behaviours and financial establishment within the definition of financial literacy is ‘a separate and different establishment from financial decision-making, financial behaviour, financial outcome, financial well-being, and financial education’ (Finke and Huston, 2014). The researcher agrees that in a measurement sense, financial literacy should be differentiated conceptually from attitude and behaviour, but argues that the understanding of financial attitudes and financial behaviour remains as significant element of financial education. So the researcher will therefore investigate the aspects of financial attitude and spending behaviour which is beyond financial knowledge.

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Financial literacy is important in assessing problems, the practice of financial education programmes that are often discussed in academia and society. According to Almenberg and Söderbergh (2011) stated that elevated levels of financial literacy makes a significant contribution to the individual’s financial well-being as financially educated people are more likely to plan for retirement. Participate in financial markets and improve portfolio selection and (Rooij, Lusardi and Alessie, 2011) and are more likely to accumulate greater wealth amounts (Lusardi and Mitchell, 2011). In turn, absence of financial literacy was one of the variables that contribute to the absence of knowledge in financial decisions. However, people with a greater financial literacy are seldom use high- cost credit cards or cash advances (Hsiao, Chen and Liao, 2015) and are have reduced over-indebted (Shen et al. 2015).

People with high financial literacy are favourable to plan for retirement (Bucher, Lusardi and Alessie, 2016) have high spending power (Klapper, Lusardi and Oudheusden, 2015), participate in capital market and formal financial markets (Rooij, Lusardi and Alessie, 2011; Klapper, Lusardi, and Panos, 2012; Bucher, Lusardi and Alessie, 2016) and during crisis, are less likely to experience low spending power (Klapper, Lusardi and Panos, 2012) and better face macroeconomic and income shocks (Klapper, Lusardi and Panos, 2012; Bucher, Lusardi and Alessie, 2016). Huston (2012) found that financially literate credit card holders has no intention to use card as a borrowing tools and not concerned about the borrowing cost. Instead only those who used credit cards as borrowing tools are more likely to express the low cost borrowing behaviour. Low level of financial literacy is the most common phenomenon in all parts of the world as reported by research from around the world. For instance, among US consumers (Huston, 2012) among developed economies (Lusardi and Mitchell, 2011), among youth in the USA, the Netherland and Germany (Bucher, Lusardi and Alessie, 2016), among students from well-developed market economies in a survey of OECD countries (Lusardi, 2015), in India and Indonesia are the lowest scorer (Cole, Sampson and Zia, 2009), among investors of Gujarat (Jariwala, 2013) and low level of debt literacy among Americans (Lusardi and Tufano, 2009). Agarwalla et al. (2013) concluded that the overall financial literacy level among working young in India was much at similar with that of 13 OECD countries.

Although we compile a new sample, we can securely replicate stylized facts about socio-demographic relationships and documented financial literacy (Lusardi and Mitchell, 2014). In addition, Grohmann et al. (2014) replicated conventional economics analyses in autonomous practice with our information demonstrating the effect of financial literacy on spending behaviour. All this suggests that our new investigations about the influence of childhood experiences on financial literacy and spending behaviour have significant beyond our specific dataset.

2.5 Theoretical Framework – Theory Of Planned Behaviour

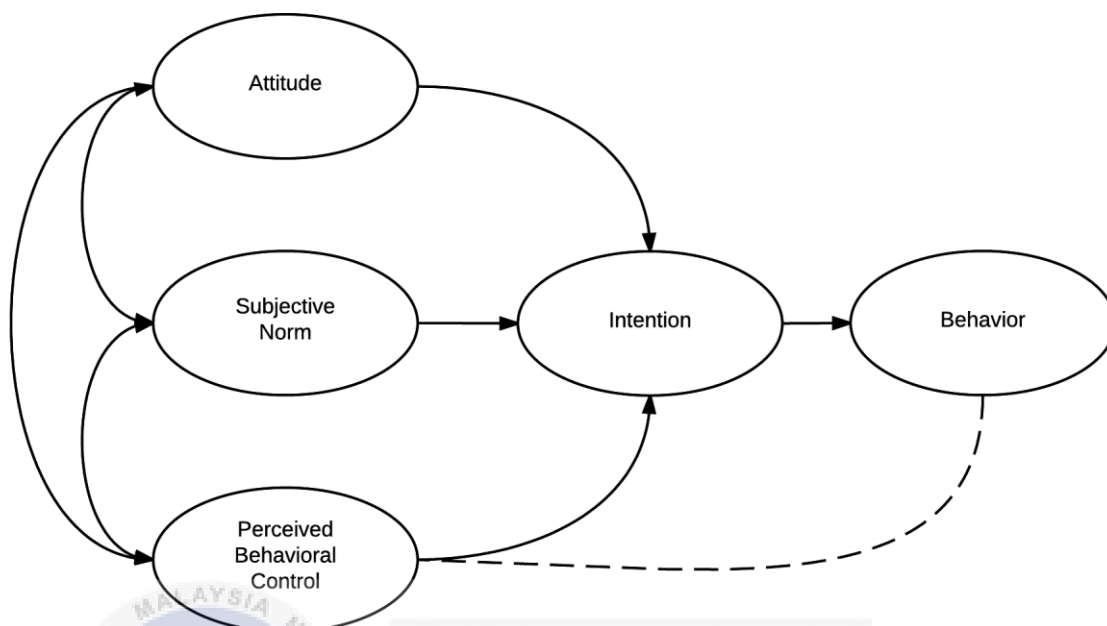


Figure (2.1): Theory of Planned Behaviour

Source: (Ajzen, 1991)

Originally, the theory of planned behaviour is starting as theory of reasoned action which proposed by Fishbein and Ajzen in 1975. TPB is an extension of TRA that proposed by Ajzen in 1991. TRA are used to understand and foreseeing human behaviour which proposing that intention will affect the behavioural of a person. TRA consists of two components which is attitude and subjective norm. However, TPB consists of three components which are attitude, perceived behavioural control and subjective norms. The theory claims that a person's intention to act certain behaviour is affected by their own attitude, perceived behavioural control and subjective norms. Attitude in TPB meaning that refers to the level of the person who has a favourable or unfavourable evaluation, subjective norm means refers to the perceived social pressure whether to perform or not to perform the particular behaviour. Lastly, in TPB perceived behavioural control meaning that the difficulties to performing certain behaviour because it is assume to reflect the past experience as well as anticipated obstacles.

There are several studies that applied the theory of planned behaviour to consumer behaviour in financial related research such as decision making of an investment, applied of mortgage and credit card usage. The research of (East, 1993) which applied the theory of planned behaviour to examine the decision making of investment among British consumers and the findings of the research paper support TPB. Furthermore, Bansal and Taylor (2002) also used TPB to examine the customer switching behaviour among their mortgage clients. The research found that three of the components are significantly affected the behavioural intention. There are also researches that examined factors that are related to consumer behaviour in their debt management planning (Xiao and Wu, 2006). The research found that attitude toward the behaviour and perceived control affected the actual behaviour, but subjective norm did not.

In addition, there are a group of researchers applied the theory of planned behaviour to investigate how college students form financial behaviours such as cash, credit, and saving management. However, researches about young professional towards debt using TPB as framework haven't been found. Thus, the researcher will applied TPB in this research to investigate the relationship between components of TPB and financial behaviour towards debts.

2.6 Research Framework

The research framework is needed in this study to show a possible course of action or presenting a preferred approach to an idea. This study deals with the financial attitude, subjective norm, perceived behavioural control and financial literacy. Those variables are from the researcher Xiao (2008) and Nelson et al.(2018) which lead for the researcher to study regarding the effect of spending behaviour towards debt among young professional in Malaysia. In this research framework, the components from Theory Of Planned Behaviour was revised and be examined whether the overall independent variables will effect on dependent variables.

This study extended the theory of planned behaviour as a model to spending behaviour towards debts. This model could be useful for stakeholders, scholars, practitioners in financial counselling and policymakers to have better understanding about the young professional by using this extended theory of planned behaviour to brace the research framework. The own research framework of this idea is illustrated as figure (2.2) below:

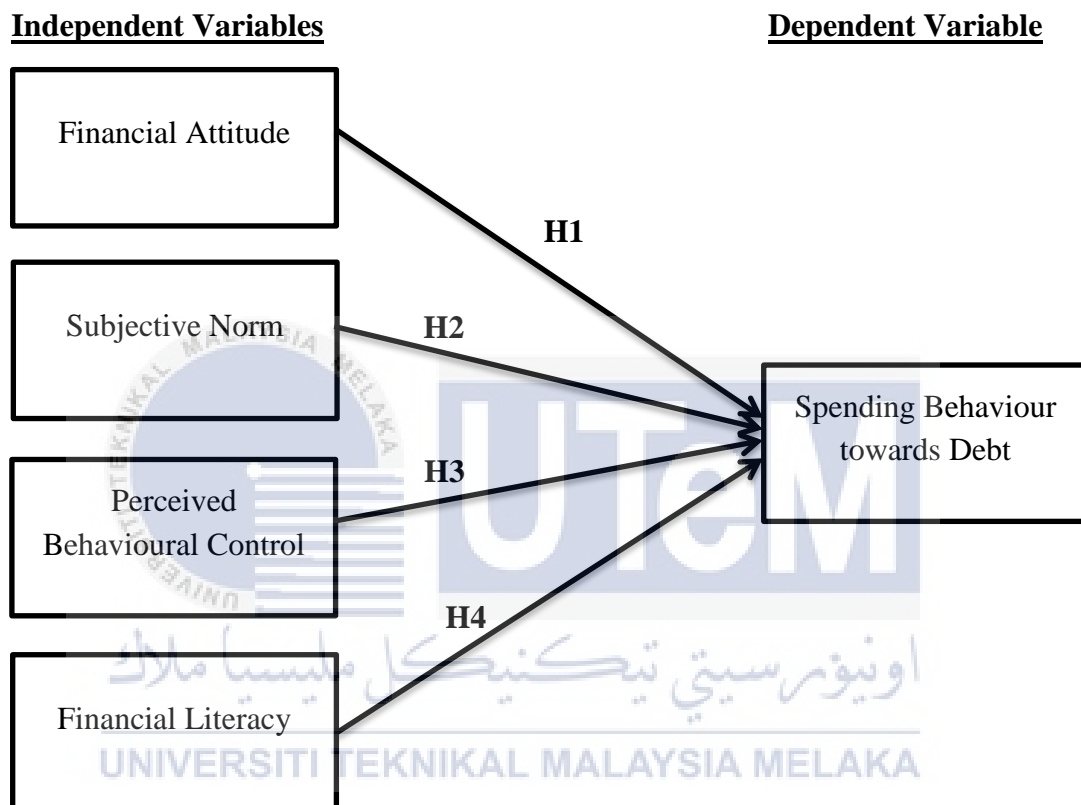


Figure (2.2): Research Framework

2.7 Hypothesis Testing

According to the proposed framework above, there are few hypotheses could be constructed. The hypotheses were:

Financial Attitude

H0: There is no significant relationship between financial attitude and debt among young professional in Malaysia.

H1: There is significant relationship between financial attitude and debt among young behaviour in Malaysia.

Subjective Norms

H0: There is no significant relationship between subjective norms and debt among young professional in Malaysia.

H2: There is a significant relationship between subjective norms and debt among young professional in Malaysia.

Perceived Behavioural Control

H0: There is no significant relationship between perceived behavioural control and debt among young professional in Malaysia.

H3: There is a significant relationship between perceived behavioural control and debt among young professional in Malaysia.

Financial Literacy

H0: There is no significant relationship between financial literacy and debt among young professional in Malaysia.

H4: There is a significant relationship between financial literacy and debt among young professional in Malaysia.

2.8 Summary

In conclusion, the independent variables such as attitude, subjective norm, perceived behavioural control have seen as the most positive components from the previous study in different context. This is because numerous studies have proved significant result when examining financial behaviour toward debt among young professional.

In this chapter, the researcher has explained about the theoretical framework such as theory of planned behaviour. The research framework also will be covered which contains independent variables and dependent variables for this research. This study encounters several measurements for measuring the financial behaviour toward debt among young professional in Malaysia. It consist five components of independent variables which are financial attitude, subjective norm, perceived behavioural control and financial literacy. Lastly, the researcher also has developed some hypothesis testing to evaluate the relationship between those independent and dependent variables.

CHAPTER THREE

RESEARCH METHODOLOGY

This chapter discussed the research method of the study which would include the research design and also the research strategy. The instruments used for data gathering included the methods utilized to retain the validity and reliability of the study. The aim of this chapter was to explain the features of the process and the design of the study. It involved data collection method and data sampling used in this study as well as the progress of the theoretical research framework to evaluate the relationship between dependent and independent variables.

3.1 Research Method

In this research, the most important success factors in the study are to help the current young professional to understand debt in order to enhance financial behavioural in this developing country. Thus, the research methodology of this research contained research design, methodological choices, data sources, research strategy, the location of research, data analysis methodology and time horizon which were be discussed in this chapter.

3.2 Research Design

A research design is the detailed outline for the gathering and analysis of data and information based on the research questions and objectives (William et al. 2017). In this research, the researcher aimed to study the effect of financial behaviour components towards debt among young professional in Malaysia. According to (Saunders, Lewis and Thornhill, 2016), the research design was the general plan of how the researcher answered the research questions with clear research objectives. In this research, the research design used by the researcher is explanatory research design to tests whether one event causes another (William et al. 2017). Explanatory research provides accurate findings of the causal relationship from the independent variables such as the components of financial behaviour and the dependent variables namely financial behaviour that were relevant to the research because explanatory research seek clarifications of the nature of specific connections and hypothesis testing was used to understanding the connection that exists between variables (William et al. 2017).

A set of structured questionnaire was used for primary data collection. Questionnaire items were generated from an extensive review of the literature and items adopted were modified to fit the debt context. A five-point Likert-type scale ranging from “1=strongly disagree” to “5= strongly agree” was adopted for measuring the 5 variable items.

3.2.1 Explanatory Research

By using this explanatory research, the key variables and key relationship are defined. (William et al. 2017) It is clearly defined the certain characteristics to a particular decision situation. The key research statement emphasizes the research hypotheses when conducted the explanatory research and it is highly structured approach by web questionnaires. The explanatory research which need the researcher to gather a lot of primary data to get roughly ideas for the current view of the people view of the financial behaviour towards debt among young professional. Moreover,

this research will be done on particular sample instead of taking all population in Malaysia to generate more accurate results. In order to get a better understanding on this research, the Theory of Planned Behaviour has been adopted as key theory to examine the components of financial behaviour which represent the independent variable that affecting financial behaviour representing the dependent variables towards debt among young professional in Malaysia.

3.3 Methodological Choices

The research methodological choices of this study will be conducted in Quantitative Methodology. The numerical data generated in quantitative research can provide a good explanation which deductive approached by numerical data collected from questionnaires. This strategy allows the researcher to measure the variables derived from the Theory of Planned Behaviour and come out with differences between respondents in terms of assessing their perception about debt among young professional. Thus, it gives the research findings a high reliability and validity. The financial behaviour components were tested and the objective is to get a view about financial behaviour towards debt among young professional from a relatively large number of consumers in order to be able to generalize the results to the population as a whole. This, the data are more accurate to apply in data analysis for this research as determine the effect of financial behaviour towards debt among young professional in this research.

3.4 Data Sources

In this research study, primary data and secondary data were used by the researcher to collect the information and statistical data with evidence.

3.4.1 Primary Data

Primary data source which is an original object or document which represents the raw material or first-hand information. In this research, the questionnaire process was carried out by respondent's self-administration which as the primary data. The topic of the questionnaire was the effect of financial behaviour towards debt among young professional in Malaysia.

According to Saunders, Lewis and Thornhill (2016), the questionnaire is a general term gathered all the data collection methods in which every respondent is asked to respond the questions in a predetermined order. To ensure the data is relevant for the researcher, the questions were expressed clearly and design in closed-ended questions through Google Form with online distribution in order to reached respondents in geographical areas.

In addition, most respondents of the questionnaires would be in Malaysia. Although the primary research is time-consuming but the data collected was a reliability source of information because those data get directly from the young professional as respondents and designed to reach the research objectives.

3.4.2 Secondary Data

Researchers will adopt a few secondary data sources published in the form of journal, articles, news, book, or magazine to collect data. Secondary data is the preliminary work that had been done. The data might have been sorted in an electronic format, published and reviewed with case studies already conducted. Secondary data is the public knowledge through use in the media and due to its exposure and public examination, secondary data can carry more legitimacy than primary research data and is often used as verification of primary data.

3.5 Research Strategy

According to Saunders, Lewis, and Thornhill (2016), research strategy defined as the method chosen by the researcher to answer their research questions and meet research objectives. In this research, a survey was chosen as the research strategy to relate and link with the research approach, research philosophy and importantly to meet the research questions and research objectives.

3.5.1 Survey Research

The research will be done by using survey strategy with a deductive approach. A successful survey needs to be very clear and precise about the purposes of the survey (William et al. 2017). It usually a quantitative questions through web questionnaire such as Google Form with a self-administered survey that can be distributed online and answer by each respondents. It is important for explanatory research to have a clearer picture of the current phenomenon with data collected. Besides that, using the questionnaire from survey research allowed the collection of standardized data from a sizeable population in a highly economical way and allowing easy comparison. Other than that, it allows the researcher to confirm the condition as for whether those factors will affect financial behaviour towards debt. It can also suggest possible reasons for the particular relationship between variables such as find out the relationship between the components of financial behaviour that affect young professional debt.

3.5.2 Questionnaires Design

The web questionnaire was designed in well- structured and organized. Self-completion of web questionnaires are used which give the respondents a chance to independently and anonymously give answer that reflects their perceptions. Besides, web questionnaire allows quantitative analysis and the data can be collected in the

numerical method which can be measured and test for hypotheses later. It can use to approach the respondents to find out their perception about financial behaviour towards debt among young professional based on theory planned behaviour components. In addition, web questionnaire has saved the time for researcher which only needs to distribute through online such as email, social media and text messenger since there is hyperlink can be copied and sent for reaching each respondent geographically.

For questionnaire design, there are three sections in the web questionnaire. The confirmation questions will as the main section in order to get the validity of respondents for answering this questionnaire. Section A requires respondents to answer the questions regarding their demographic information such as gender, state, level of education, employment status and categories of debt that respondents own, There are 4 multiple questions with 1 dual choice questions needed to be answered in this section.

Section B will allow understanding the perception of respondents regarding debt among young professional in Malaysia. There are 20 statements that describe how the components of TPB influence financial behaviour towards debt among young professional in Malaysia. It is all expressed in terms of the financial behaviour toward debt that respondent desired. The respondents need to answer the questions by using likert scale which indicates the agreement level from the respondents by giving rating marks from 1 – 5, which each of the number represent from strongly disagree, disagree, neutral, agree and strongly agree.

Section C will need the respondent to answer the questions as provided by measuring debt among young professional which is the judgement to the perception whether overall financial behaviour towards debt are positive. There are 5 statements that describe the overall financial behaviour towards debt among young professional. The respondents also need to answer the questions by using likert scale.

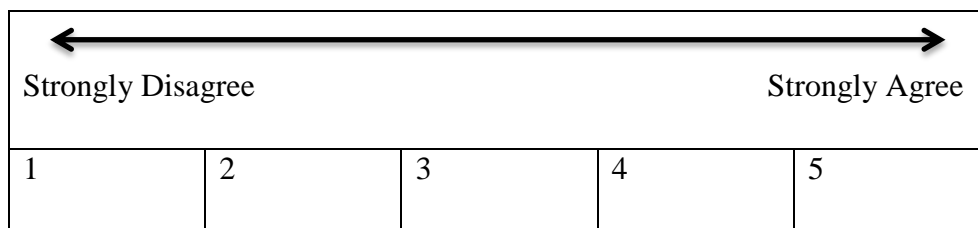


Figure (3.1) Likert Scale

Source: (Saunders, Lewis, and Thornhill, 2016)

3.5.3 Sampling Technique

The target respondents of this survey research were targeted at young professional in Malaysia. According to The Labour Force Survey (LFS) conducted by Department of Statistics Malaysia (DOSM), Malaysia's share of high skill employment in 2016 is around 8.78 million people (Talent Corp 2016). According to Krejcie and Morgan (1970), if the population is 1,000,000 people and above, the sample size should be 384. Thus, in this study the researcher had selected 384 respondents as the sample size who are young professional as the source of investigation and evaluation to answer the questionnaires.

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The survey research was to study the financial behaviour of young professional that affect debt in Malaysia. The target respondents were those who are able to communicate in English as the questionnaire will be constructed using English as communication medium. This study will covered respondents graduation from full-time Bachelors, Masters or PhD program and is under the age of 35 with current employed in professional career in managerial, professional or technician roles (IAEE.org 2018). During the research, simple random sampling method was used as from probability sampling. Simple random sampling which means each individual had an equal chance of being selected for the survey. Hence, respondents will be picked randomly at Malaysia and the questionnaires will be sent randomly through online.

Table (3.1): Determining the Sample Size From A Given Population

Source: (Krejcie and Morgan,1970)

TABLE I
Table for Determining Sample Size from a Given Population

<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	100000	384

Note.—*N* is population size.*S* is sample size.

3.6 The Location Of Research

The main location of this research is in Malaysia. Malaysia is a country in Southeast Asia. The federal constitutional monarchy consists of 13 states and three federal territories, separated by the South China Sea into two similarly sized regions. Kuala Lumpur is the national capital and largest city while Putrajaya is the seat of federal government. With a population of over 30 million, Malaysia is the world's 44th most populous country. The researcher selected Malaysia as area of research because the population in Malaysia contain different categories of people which have different in education level, age and race. This allows the researcher to analyses and makes assessment easily towards the financial behaviour towards debt according to demographic categories. Besides that, there are high internet access countries which allow research questions easily distribute. This study will only take sample size of 384 people which focus on young professional.



Figure 3.2: Malaysia Map

Source: (Vector map of Malaysia country 2018)

3.7 Data Analysis Tools

There are lots of data analysis tools can be used in this research. For illustration, there are analysis on pilot test, Cronbach's alpha, descriptive analysis for measuring respondents demographic profile data and also measure of factor analysis, central tendency, Pearson's correlation analysis and multiple regression analysis.

3.7.1 Pilot Test

A pilot test is a pre-test used and determines certain research instrument. The questionnaires will be constructed and be tested to identify whether the questionnaire is able to capture the required data as expected by researcher. According to Connelly (2008), a sample of pilot test should be 10% of the actual sample size from the sizeable population. Thus, the researcher will distribute 30 questionnaire to young professional in Malaysia based on sample size which is $S = 384$. As a result, the pilot test can be tested for the validity and reliability of the questionnaire. After the data collected, the researcher will redesign the questionnaire in order to give respondents a better understanding of questionnaires and get more accurate data from them. For pilot test, the internal reliability was examined by using Cronbach's alpha.

3.7.2 Reliability

In this research, internal consistency measure called Cronbach's Alpha has been used. It used to measure the average correlation of each item with all other items that make up that variable. It consists of an alpha coefficient with the value between 0 and 1. The value of 0.6 or above is an acceptable measure to prove the all instrument's reliability (Awang, 2012). The following table (3.2) was showed the Cronbach's alpha coefficient range and its strength of association. The closer the Cronbach alpha to 1, the higher the reliability, if the reliability is below 0.6 then it is considered as poor. While those score 0.7 can still be acceptable, and those exceed

0.8 were good. Lastly, those with 0.9 and above were excellent. In this research, each 6 independent variables and 1 dependent variable with its items will be tested for their reliability.

Cronbach's Alpha	Internal Consistency
$\alpha \geq 0.9$	Excellent
$0.9 > \alpha \geq 0.8$	Good
$0.8 > \alpha \geq 0.7$	Acceptable
$0.7 > \alpha \geq 0.6$	Questionable
$0.6 > \alpha \geq 0.5$	Poor
$0.5 > \alpha$	Unacceptable

Table 3.2: Cronbach's Alpha Coefficient Range.

Source: (Saunders, Lewis and Thornhill, 2016)

3.7.3 Validity

Validity is known as the degree of accuracy in measuring what is supposed to be measured. A high validity value indicates a high degree of believability result in the research. Construct validity which means the measurement questions of the researcher wanted to measure and evaluate. In this research, the researcher is going to discover the components of financial behaviour the affect young professional debt in Malaysia. Thus, the researcher will verify whether the variables in theory of planned behaviour are related or valid by using explanatory factor analysis. This factor analysis will enable the researcher to discover the theory planned behaviour whether suit for assessing debt among young professional. Factor analysis will regroup similar items under the same components and if items under same

components according to original theory of planned behaviours regroup under the same factor, it is appropriate to use in measuring financial behaviour.

3.7.4 Descriptive Statistics

Descriptive statistics help to simplify a large amount of data into a simpler summary. In this research, descriptive statistics were describing the variables in two aspects which measure of central tendency (mean, median, mode) and measure the dispersion (range, standard deviation and coefficient of variation) of the components of theory planned behaviour and financial behaviour. It also uses to analyse the demographic data of respondents.

There were three ways of measuring the central tendency in the research such as mode, mean and median. However, it was only adopted mode and mean in this research. The mode was defined as the value that occurs frequently which mean only the central tendency that could be measured and interpreted sensibly in descriptive data. In this research study, the mode was assisted in analysing data by finding out which determinants were strongly affected financial behaviour.

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Moreover, mean was an average value of all the observed data and it was commonly used in research. In this research, descriptive statistics had been measured on the independent variables which were financial attitude, subjective norm, perceived behavioural control and financial literacy. Thus, the average value of the data determined whether respondents were more likely to agree on which particular variables.

3.7.5 Factor Analysis

The factor analysis was used for examining the pattern of correlations between the measured variables. In this study, the researcher will use the factor analysis. The KMO's test varies between 0 and 1 and value of 0 shows that the sum of partial correlations is large relative to the sum of correlations meaning factor analysis is like to be irrelevant while a value close to 1, shows that pattern of correlation are relatively compact and factor analysis yield distinct and reliable factors.

Factor analysis is one of the oldest structural models developed by Spearman in 1904. Then creator attempts to explain the relationship between a set of test scores and suggests that these scores can be generated by a model with a single common factor, which he calls "intelligence" plus the unique factors of each test. (Naomi L. Gerber et al., 2018). Factor analysis is used to confirm construct validity of independent and dependent variables so these can be used for subsequent analyses. Besides, it allows the researcher to reduce data set to make it more manageable. In this research, the analysis which proposes that each observed response 25 questions are influenced by 5 underlying common factor. The strength of the link between each factor and each measure items varies in that factor could influence some components more than others. Factor analysis will regroup similar items under the same components and if items under the same components according to original theory of planned behaviour regroup under the same factor.

Once the category is determined, these factors will be rotated after the extraction. Factor analysis has several different rotation methods, some of the method are used to ensure that the factors are uncorrelated, and some are used to eliminate the multiple correlation problem in regression analysis. Factor analysis is also used to verify scale construction. In such an application, items constituting each dimension are specified in advance. This form of factor analysis is most commonly used in structural equation models, called confirmatory factor analysis. In this study, a confirmatory factor analysis was performed because the researchers wanted to use the theory of planned behaviour to verify the behavioural structure of debt behaviour.

3.7.6 Pearson's Correlation Coefficient

Pearson's correlation was adopted in this research to quantify the strength of the linear relationship between two numerical variables. It is also used to check whether these variables are valid. The population correlation is estimated by the sample correlation coefficient, r . The correlation coefficient, r , gives a value between +1 and -1. The closer the value of r to zero, the larger the variation in the data from the line of best fit. The closer the value of r to +1 or -1, the smaller the variation in the data from the line of best fit.

The range of correlation coefficient and the interpretation are shown in figure (3.2) below. Basically, the sign of positive and negative show the direction of the correlation. Based on the positive linear correlation, the value of a variables is increased will lead to values of other variables also increased. For negative linear correlation, the variable increased will lead to the others variables decrease in correlation. If the value of correlation coefficient is zero that indicates that there is no linear correlation between variables. In this research, 4 independent variables and 1 independent variable will be tested all together to see the relationship between each two variables.

Correlation Coefficient Value (r)	Direction and Strength of Correlation
-1	Perfectly Negative
-0.8	Strongly Negative
-0.5	Moderately Negative
-0.2	Weakly Negative
0	No association
0.2	Weakly Positive
0.5	Moderately Positive
0.8	Strongly Positive
1	Perfectly Positive

Table (3.3) Pearson's Correlations Coefficient

Source: (Saunders, Lewis, and Thornhill, 2016)

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3.7.7 Multiple Regression Analysis

The general purpose of multiple regression analysis was to learn more about the relationship between several independent and dependent variables by using ANOVA. It is used when the researcher want to predict the value of dependent variables based on value of two or more independent variables. In this research, multiple regression analysis was conducted to assess the strength of relationship among a numerical dependent variable and one or more numerical independent variables. According to this research, regression examined by the independent variables which consist of 5 which are financial attitude, subjective norm, perceived behavioural control and the dependent variables as the financial behaviour towards debt. Therefore, the regression equation is established to indicate how the independent variables overall fit and examine the relative contribution of each of the

predictors to the total variance explained. The equation of this multiple regression analysis will be show in table 3.4 below:

Table 3.4: Equation of Multiple Regression Analysis

Source: (Saunders, Lewis and Thornhill, 2016)

$$\text{Equation: } Y = a + bX_1 + cX_2 + dX_3 + eX_4$$

Where:

A	Constant/ Other Influences
B	Influence of X1 (Financial Attitude)
C	Influence of X2 (Subjective Norm)
D	Influence of X3 (Perceived Behavioural Control)
E	Influence of X4 (Financial Literacy)
Y	Dependent Variable (Financial Behaviour towards Debts)
X1,X2,X3,X4	Independent Variables.

3.7.8 One Sample T test

The one sample *t* test is type of inferential statistics that is used to determine whether there is a significant difference between the means of two groups. A *t* test is used when the researcher want to compare two means where the scores must be measured on an interval or ratio measurement scale. By using *t* test, the researcher able to state some degree of confidence that obtained difference between the means of the sample groups is too great to be a chance event and that some difference also exists in the population from which the sample was drawn. If the significant level of

each items in t test is over 0.05 significant level, the researcher will choose to eliminate the items from the data.

3.7.9 Statistical Package for Social Sciences (SPSS)

Based on this research, statistical package for social science (SPSS) has been used to analyse and interpret the data collection in an appropriate way. This is because SPSS is the most common and user friendly software package for analysing, manipulating and presenting data collection in a statistical manner. In order to analyse the 384 data set from respondents. It is needed in order to reduce the workload of the researcher to analyse the data correctly.

3.8 Time Horizon

In this research study, cross sectional research has been chosen by the researcher. This is because the research on has limited time with around 8 months to complete the research. Thus, the data and information of this research are collected from a sample population on one occasion. Hence, cross sectional research was appropriate for finding out the prevalence or overall picture of phenomena in a population study at a given time which during semester 7 and 8. Furthermore, cross sectional research design is the most commonly used research design to gather data and information from a population at one point in time and it is identical to a survey design (William et al. 2017).

3.9 Summary

From the research methodology, the researcher explained about the method used how to collect and information as conducted through the research. In the beginning, an explanatory study in research design and quantitative method was used in this research. Next the data source used in this research was primary data and secondary data. In addition, survey research design has been chosen by the researcher for this research as to ensure the objective will be answering. There are web questionnaire as Google Form will be used in this research and the sample size was concentrate on young professionals who live in Malaysia with sample size of 384 respondents. From data analysis part, the researcher has used pilot test, Cronbach's alpha, validity test, descriptive statistics, factor analysis, Pearson's correlation coefficient, multiple linear regression, cross tabulation and statistical package for social science (SPSS) that used to analyse quantitative data in the research lead researcher to achieve the research objectives and finding if this research study. Apart from that, this chapter also explains about time horizon which the researcher has chosen cross sectional research design to finish this research in limited time.

CHAPTER FOUR

ANALYSIS AND DISCUSSION

In this chapter, the analysis of the quantitative research regarding determinants of spending behaviour towards debt among young professional in Malaysia was discussed. The data analysis was conducted using the statistical package for social sciences (SPSS) tools such as descriptive analysis, factor analysis, the multiple linear regression and hypotheses testing. The descriptive analysis was using table and visualization to depicting data analysis finding, interpreting and understand the limitation and the applications of the analysis (McDermid, 2015). Afterward, the factor analysis allows for the assessment of the fit between the observed data and the conceptualized theoretical basis model, which specifies the hypothetical causal relationship between the underlying factors and their observed indicator variables. Next, the multiple linear regressions were used to determine the most significant relationship between the determinants of spending behaviour towards debt. Lastly, the data analysis was followed by hypothesis testing, where the theory, methods and practice of testing hypotheses was done by comparing it with the null hypothesis. The data was collected through the survey among 384 respondents at Malaysia with questionnaire of 2 sections which is Section A for demographic, Section B for spending behaviour towards debt among young professional and Section C for components in the spending behaviours.

4.1 Pilot Test

In this research, pilot test was conducted using the data that collected from online questionnaires. The Google form was distributed to 30 respondents to have their feedback and recommendation regarding the understanding of questionnaires before the actual questionnaires was distributed to the respondents. The data collected from the 30 respondents are used to check the validity and reliability of the questions to the research.

Table 4.1 shows the reliability test result collected from N = 30 respondents. Referring to the table below, the Cronbach's Alpha reliability coefficient normally ranged between 0 and 1. The closer the Cronbach's Alpha Coefficient to 1.0, it means that the internal consistencies of the items in the scale are better. According to Saunders et al. (2016), if the Cronbach's Alpha value is higher than 0.7 is meaning that the test is acceptable. The reliability statistics as shown below from the 30 sample respondent's answer, the alpha coefficient for the twenty five items is 0.848, suggesting that the items have relatively high internal consistency. Note that a reliability coefficient of 0.70 or higher is considered "acceptable" in most social science research situations and over 0.8 is considered as Good.

Table 4.1 Reliability Statistics

Sources: (Develop For The Research)

Cronbach's Alpha	N of Items
0.848	25

4.2 Respondents Rate

Table 4.2 Responses Rate

Sources: Develop For the Research

Criteria	Total	Percent(%)
Number of questionnaire distributed	422	-
Fully Response	384	91.00%
Not Qualified	38	9.00%

In this research, the total questionnaire that distributed to the respondents who are Malaysian was 422 sets. Research used 6 weeks to distribute and collect the questionnaires from mid of March and almost complete the collected data in the end of April 2019. During the data distribution and collection process, researcher was assisted by friends and relatives who stay in Malaysia to help distributed and collect the questionnaires. All the questionnaires were distributed using Google Form in whole Malaysia through online as the technology nowadays are efficient and effective in response. The total number of questionnaires distributed is 422 (100%) sets and there are 38 (9.00%) set of questionnaire is deemed as unqualified since those respondents are not in young professional requirement as stated in the research and some others consists error while answered the questionnaires.

4.3 Descriptive Analysis of Respondents Background

Researcher used descriptive statistics to define the basic features through the collected data. Data analysis represent the basic demography data that collected from 384 respondents and the results of questionnaires regarding determinants of spending behaviour towards debt among young professional in Malaysia. The respondents were segmented according to their demographic, demographic details,

frequency and percentage using a table to present so it is easier to be understood. Below show the descriptive of report on respondents demographic in table 4.3.

Table 4.3 Report on Descriptive of Demographic

Sources: (Develop For Research)

Demographic	Demographic Details	Frequency	Percentage (%)
Gender	M	152	39.6
	L	232	60.4
Age	21 – 25	222	57.8
	26 – 30	103	26.8
	31 – 35	59	15.4
Education Level	Degree	362	94.3
	Master	18	4.7
	PHD	4	1.0
Employment Status	Private Sectors	247	64.3
	Worker	71	18.5
	Government Servant	55	14.3
	Self-Employment	11	2.9
	Business Owner		
Total		384	100

The background of the respondents was crucial in conducting the research because the accurate respondents are the one who produced the valuable data for the research. This section analyses are focusing on gender, age, education level and employment status.

4.4 Respondents Profile

4.4.1 Gender

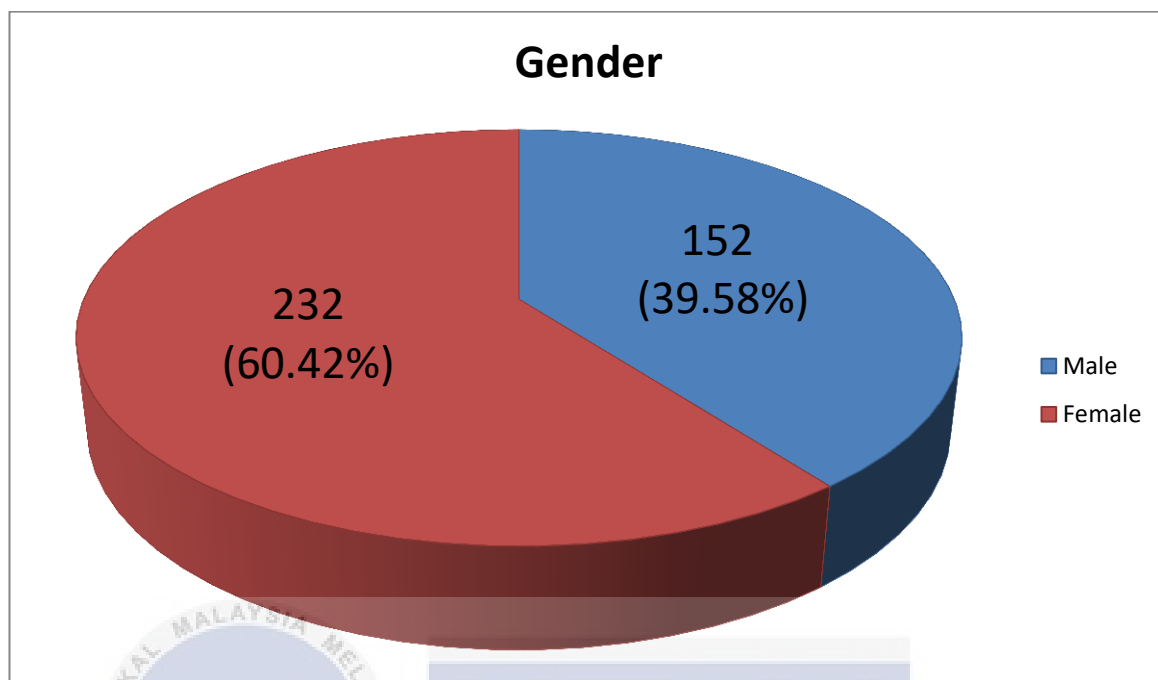


Figure 4.1: Respondents Gender

Sources: (Develop For The Research)

Figure 4.1 shows the gender from the collected data where male is 152 respondents equivalent to 39.58% while female is 232 respondents which equivalent to 60.42% respondents. The study shows that there are more female respondents answered the questionnaires may due to the populations and education level which may effect on the results. Besides that, the questionnaires are being distributed by using random sampling method that causes the percentages of male and female are not standard.

4.4.2 Age

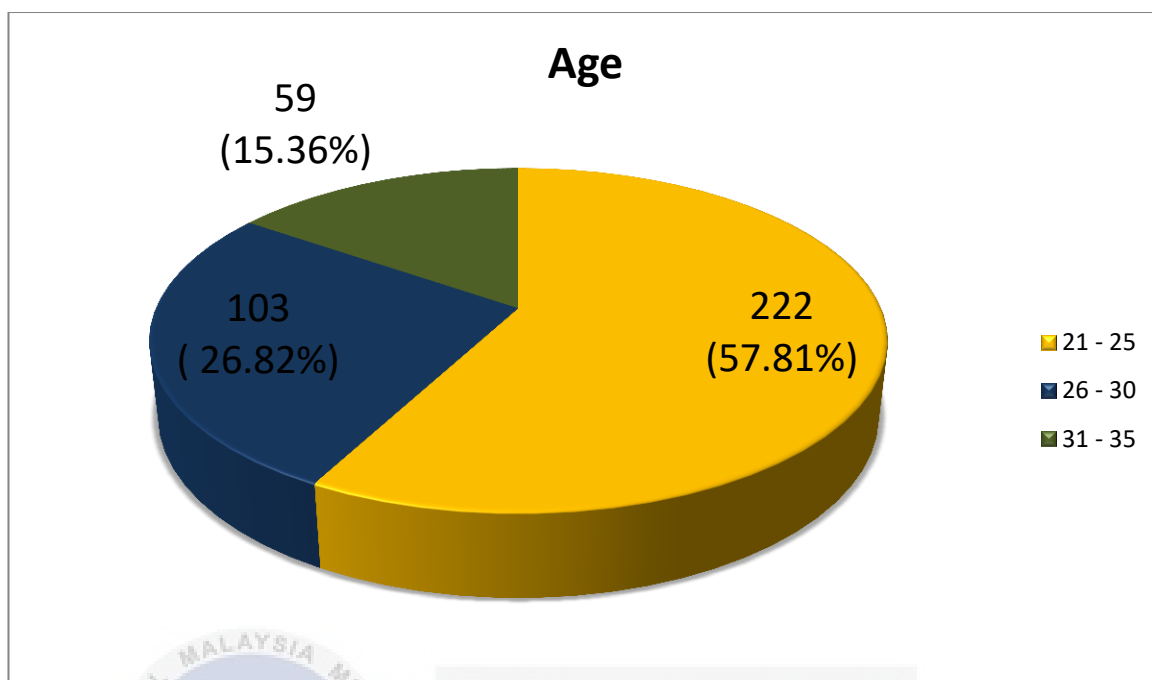


Figure.4.2 : Respondents Age

Sources: (Develop For The Research)

Figure 4.2 shows the respondents age from three categories of age such as 21 -25, 26 -30 and 31 – 35. Based on data collected, the majority of respondents are age between 21 -25 where the number of respondents is 222 (57.81%) respondents in Malaysia while the second higher number of respondents is age between 26 - 30 where there are 103 (26.8%) respondents from Malaysia. Lastly, there were 59 (15.4%) respondents are age between 31 – 35.

4.4.3 Education Level

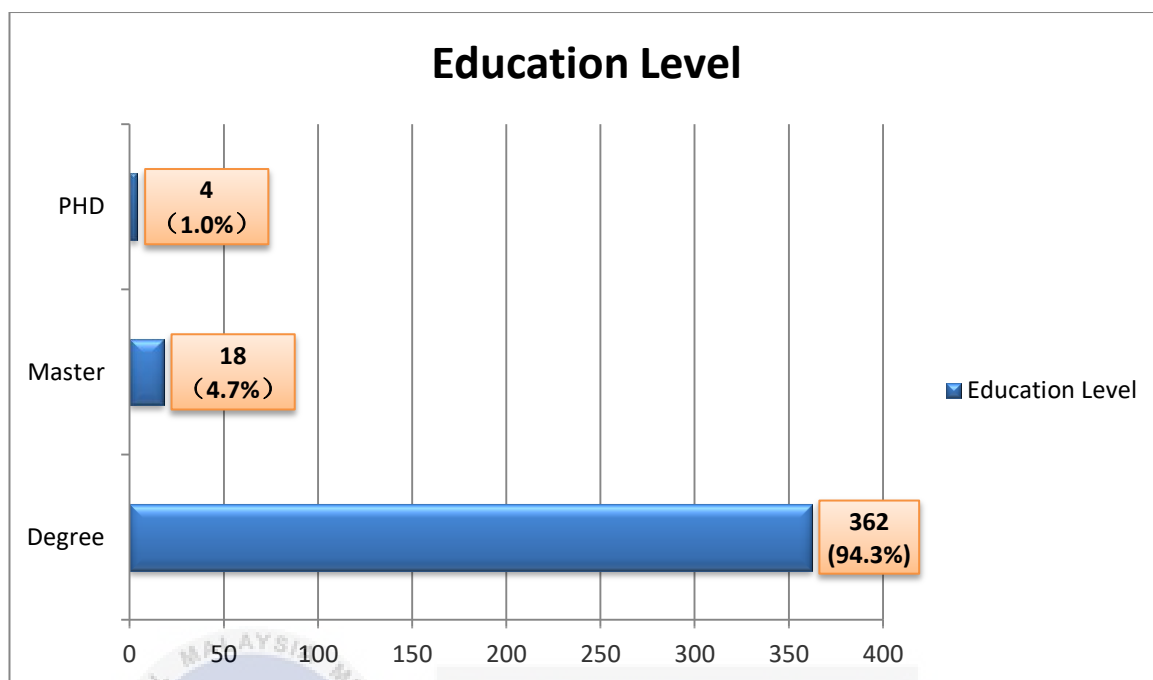


Figure.4.3: Education Level

Sources: (Develop For The Research)

Figure 4.3 shows that the education level of respondents. Since there are many respondents who age between to 21 to 25 years old, therefore most of the respondents have the highest education level with Degree of 362 (94.3%) respondents and Master level with 18 (4.7%) respondents. Besides, there are 4 (1.0%) respondents who get higher education level with PHD. According to Chong (2014), most of the respondents have attained degree level of qualifications because of the important of education nowadays. Thus, it is same as this research that majority respondents are degree level of education.

4.4.4 Employment Status

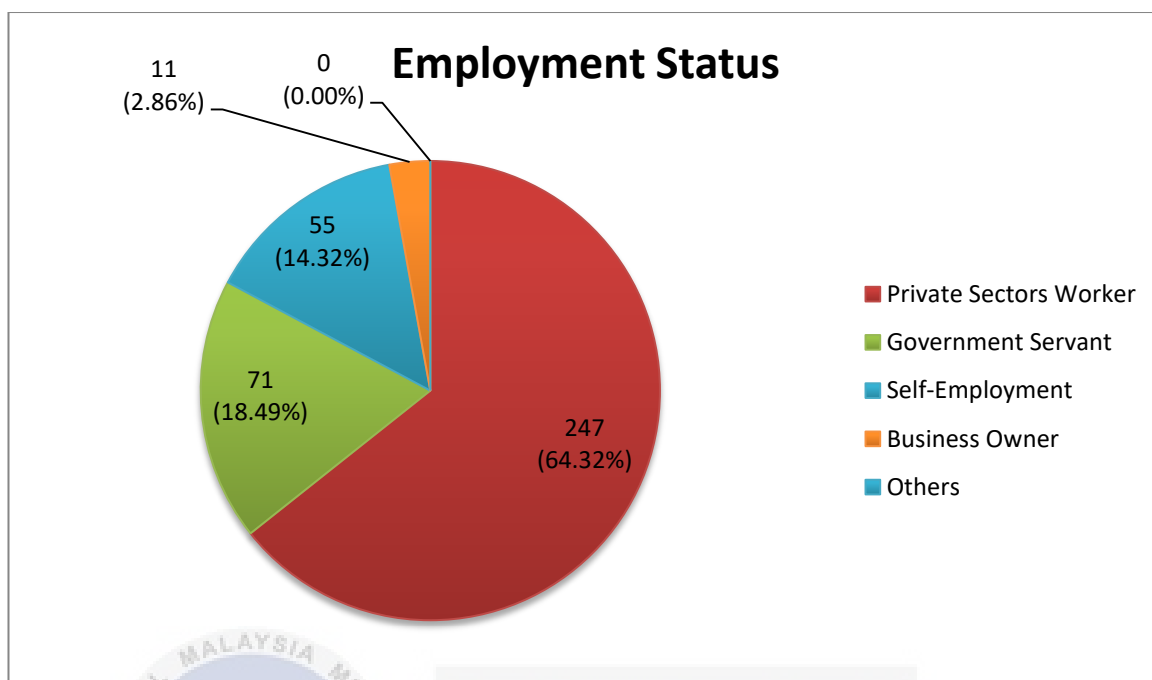


Figure 4.4: Employment Status

Sources: (Develop For The Research)

Based on Figure 4.4, it shows the Employment Status of the respondents. From this research, mostly respondents are private sectors workers where the number is 247 (64.3%) respondents since they are know the hardship of collecting data. Government servants also have huge amount where consists of 71 (18.49%) respondents. Other than that, there are also 55 (14.32%) respondents with self-employed have answered questionnaire online. Lastly, there are only 11 respondents which are business owners who spend their time to answer the questionnaires.

4.5 Inferential Statistics

Inferential statistics is use a random sample of data taken from a population to describe and make inferences about the population. Inferential statistics infer from the sample data on what the population might think. Inferential statistics are valuable when examination of each member of an entire population is not convenient or possible. Besides, it can be used to make judgements of the probability that an observed difference between groups. Hence, inferential statistics is used to make inference from this research data to more general conditions. Therefore, inferential statistics is used simply to describe what is going on the data in this research.

4.5.1 One Sample T-test

The one sample t test is type of inferential statistics that is used to determine whether there is a significant difference between the means of two groups. A t test is used when the researcher wish to compare two means where the scores must be measured on an interval or ratio measurement scale. By using t test, the researcher wants to state with some degree of confidence that the obtained difference between the means of the sample groups is too great to be a chance event and that some difference also exists in the population from which the sample was drawn. If our t test produces a t -value that results in a probability of .01, we say that the likelihood of getting the difference we found by chance would be 1 in a 100 times. We could say that it is unlikely that our results occurred by chance and the difference we found in the sample probably exists in the populations from which it was drawn.

One-Sample Test						
	Test Value = 3					
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
DV1	-1.984	383	.048	-.156	-.31	.00
DV2	39.577	383	.000	1.503	1.43	1.58
DV3	-.040	383	.968	-.003	-.13	.12
DV4	42.661	383	.000	1.539	1.47	1.61
DV5	-6.466	383	.000	-.424	-.55	-.30
FA1	14.841	383	.000	.805	.70	.91
FA2	41.143	383	.000	1.432	1.36	1.50
FA3	22.312	383	.000	.958	.87	1.04
FA4	12.132	383	.000	.680	.57	.79
FA5	41.286	383	.000	1.406	1.34	1.47
SN1	18.848	383	.000	.951	.85	1.05
SN2	14.765	383	.000	.828	.72	.94
SN3	18.578	383	.000	.938	.84	1.04
SN4	13.340	383	.000	.727	.62	.83
SN5	1.695	383	.091	.122	-.02	.26
PBC1	19.234	383	.000	.914	.82	1.01
PBC2	24.693	383	.000	1.039	.96	1.12
PBC3	41.927	383	.000	1.388	1.32	1.45
PBC4	4.174	383	.000	.227	.12	.33
PBC5	19.758	383	.000	1.065	.96	1.17
FL1	24.188	383	.000	1.102	1.01	1.19
FL2	36.835	383	.000	1.349	1.28	1.42
FL3	32.747	383	.000	1.284	1.21	1.36
FL4	18.901	383	.000	.852	.76	.94
FL5	3.459	383	.001	.214	.09	.33

Table 4.4 One Sample T Test

Sources: (Develop For the Research)

The researcher used 95% confidence level to test the significant level of the variables and the level of significance is defined as the probability of rejecting a null hypothesis by the test. Based on the table above, there are 25 items had been tested and the results shows that except of DV3 and SN5 significant level is over 0.05 confident intervals the others of the items are significant which below 0.05. Thus, the research decided to eliminated DV3 and SN5 from the research to get more valuable results for this research.

4.5.2 Factor Analysis

Factor analysis is used to group similar variables into a single factor or dimension. The purpose of factor analysis is to identify and reduce many single items to fewer dimensions. Factor analysis can be used to simplify data, such as reducing the number of variables in a regression model.

The sample size of this factor analysis was 384 respondents from 152 males and 232 females respondents were collected with the range age of 21- 25 years old, 26 -30 years old and 31 – 35 years old. Each response was modified so the respondent could easily rate their score on the factors that affect their spending behaviours. The factors were assigned scores of 1=Strongly Disagree, 2=Disagree, 3=Agree and 4=Strongly Agree on the Likert Scale. Then analysis was conducted on 25 items from multiple factors that were tested.

However, all of the questionnaires distributed electronically via Google Form could overcome the weaknesses of missing data. Then, an amount of final 384 sample size was collected, satisfying the fair amount of data required for factor analysis. There were total 25 items listed in the questionnaire to five independent variables such as Financial Attitude, Subjective Norm, Perceived Behavioural Control and Financial Literacy. Each of the items listed under each of the independent variables.

Table 4.5 KMO and Bartlett's Test*Sources: (Develop For the Research)*

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.783	
Bartlett's Test of Sphericity	Approx. Chi-Square	5160.857
	Df	253
	Sig.	.000

Based on table 4.5 above, The Kaiser-Meyer-Olkin Measure of Sampling Adequacy was middling, 0.783 above the recommended value which was between 0.5 and 1.0, indicating that factor analysis was the suitable method to analyses the data (Subramaniam et al. 2008) and those factor are reliable to each other. Next, the Barlett's test of sphericity was significant χ^2 (df =253) and ($p < 0.000$) so the items listed in the independent variables had pattern relationships among the variables since the significant level of ($p < 0.05$), with approximate ChiSquare 5160.857.

Table 4.6 The Communalities*Sources: (Develop For the Research)*

Communalities		
	Initial	Extraction
DV1	1.000	.612
DV2	1.000	.484
DV4	1.000	.617
DV5	1.000	.697
FA1	1.000	.637
FA2	1.000	.656
FA3	1.000	.751
FA4	1.000	.705
FA5	1.000	.470
SN1	1.000	.682
SN2	1.000	.577
SN3	1.000	.785
SN4	1.000	.825
PBC1	1.000	.707
PBC2	1.000	.751
PBC3	1.000	.729
PBC4	1.000	.523
PBC5	1.000	.630
FL1	1.000	.779
FL2	1.000	.764
FL3	1.000	.559
FL4	1.000	.688
FL5	1.000	.621
Extraction Method: Principal Component Analysis.		

Based on the table 4.11 below, the variables with low communalities which were less than 0.2 were eliminated from the analysis since the purpose of factor analysis was to try and describe the variance through common factors (Child, 2006) Then, the Kaiser criterion was reliable when the average extracted communalities

was at least more than 0.7 (Field, 2009). The communalities values were all above 0.2 and the factor analysis was deemed suitable and reliable with all of 23 items.

Table 4.7: Total Variance Explained

Sources: (Develop For the Research)

Total Variance Explained									
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.814	25.280	25.280	5.814	25.280	25.280	3.713	16.146	16.146
2	3.780	16.436	41.716	3.780	16.436	41.716	3.450	14.998	31.144
3	2.857	12.420	54.136	2.857	12.420	54.136	3.063	13.319	44.462
4	1.584	6.887	61.023	1.584	6.887	61.023	3.040	13.217	57.679
5	1.213	5.272	66.296	1.213	5.272	66.296	1.982	8.616	66.296
6	1.098	4.775	71.071						
7	.826	3.592	74.663						
8	.778	3.382	78.045						
9	.734	3.193	81.238						
10	.569	2.472	83.710						
11	.519	2.256	85.966						
12	.486	2.113	88.079						
13	.424	1.843	89.922						
14	.365	1.588	91.510						
15	.326	1.419	92.928						
16	.285	1.239	94.168						
17	.259	1.126	95.293						
18	.229	.995	96.289						
19	.205	.890	97.178						
20	.193	.841	98.019						

21	.174	.758	98.778						
22	.153	.665	99.442						
23	.128	.558	100.00 0						
Extraction Method: Principal Component Analysis.									

As show in table 4.7 above, the method of extraction was using the principal axis factoring, where all of the random error from the factors were removed so the relation among factors in principal axis factoring was approaching the population values with common variance, thus inflating the factor loadings and give specious appearance of a stronger factor structure (Dombrowski, 2017).

From the table 4.12 show above, the value in this table presents the proportion of each variable's variance that explained by retained factors with eigenvalues > 1 . Using principal axis factoring, 5 factors was extracted accounting the eigenvalues for 25.28 per cent variance for factor 1 with total initial eigenvalue of 5.81, 16.43 per cent variance for factor 2 with total initial eigenvalue of 1.76, followed by 5.85 per cent variance of factor 3 with total initial eigenvalue of 3.78, 6.89 per cent variance for factor 4 with total initial eigenvalue of 1.58 and 5.27 per cent variance for factor 5 with total initial eigenvalue 1.21. Lastly, the eigenvalues for 4.78 per cent variance for factor 6 with total initial eigenvalue of 1.10. As the initial number of items listed was 23, however, only 6 factors were extracted.

Table 4.8: Rotated Component Matrix*Source: (Develop For the Research)*

	Component				
	1	2	3	4	5
FA2	.771	-.029	.174	.109	.136
DV4	.720	.086	.241	.143	-.116
DV2	.670	.026	.152	.010	.108
FL3	.663	-.018	.206	.132	.243
PBC3	.636	.144	-.010	.520	.184
FL5	-.562	.309	-.167	.426	.013
FA4	.063	.799	.065	-.221	.101
PBC2	-.107	.767	.319	.107	-.196
DV1	-.083	.739	.017	.203	.130
FA5	.280	.600	.150	.000	.095
DV5	-.388	.471	.357	-.156	.415
PBC4	-.332	.452	-.189	.378	.174
SN1	.158	.200	.775	-.049	-.114
SN3	.279	.315	.760	.111	.136
SN2	.333	-.138	.660	.010	.108
SN4	.022	.590	.654	-.053	.216
PBC5	.400	.042	.594	.172	.292
FL1	.053	-.215	.077	.850	-.041
FL2	.331	.039	.168	.766	-.192
PBC1	-.004	.352	-.111	.755	-.034
FA1	.294	-.206	.131	.567	.411
FA3	.178	.113	-.053	-.125	.829
FL4	.161	.176	.357	.083	.705

Extraction Method: Principal Component Analysis.
 Rotation Method: Varimax with Kaiser Normalization.
 a. Rotation converged in 7 iterations.

The rotated component matrix, sometimes referred to as the loadings, is the key output of principal components analysis. It contains estimates of the correlations between each of the variables and the estimated components. There are moderate-to-strong correlations between the four independent variables and one dependent variable. The correlation consists low and high between each component. Typically, when interpreting a component matrix, correlations of less than 0.3 or 0.4 are regarded as being trivial. These correlations are commonly referred to as loadings; the correlations can also be negative and in such an instance correlations of between -0.4 or -0.3 and 0.0 are regarded as being trivially small. Thus, in the table above the first component seems to measure the dependent variable where it is related to spending behaviour towards debt. There are moderate-to-strong correlations between the second components where five financial attitude components and the third components are related to subjective norms. The fourth moderate to strong correlations were related to perceived behavioural control and lastly the fifth component seems to measure the financial literacy.

Table 4.9: Item Listing Extracted From Rotated Component Matrix

Sources: (Develop for the Research)

Dependent Variables	No	Items
Spending Behaviour towards debt.	FA2	I spend on the items that I need it most.
	DV4	I check my invoices and bills to avoid possible mistakes and debts.
	DV2	I pay my bills on time.
	FL3	I do not spend on items which I do not require.
	PBC3	I look carefully to find the value of my money when spending.

Independent Variables	No	Items
Financial Attitude	FA4	I have a hard time resisting when I am offered something at a discounted price.
	PBC2	I prefer buying best-selling brands.
	DV1	I use credit card for ordinary purchase when I have cash.
	FA5	I compare prices between shop before buying a product.
	DV5	I spend money that I not yet earn. (Eg: Credit Card)
	PBC4	I postpone my shopping until sales period.
Subjective Norm	SN1	When I see what others own, such as clothes or a car, I often wish I could own it too.
	SN2	I often spend money on my lifestyles to follow the trends.
	SN3	I often learn about new things to buy from my friends and those I admire.
	SN4	My purchases will be influenced by any comparison with other people.
	PBC5	The more expensive brands are usually good choices.
Perceived Behavioural Control	FL5	I always bring small amount of cash to prevent impulse.
	FL1	I spend wisely to achieve financial freedom.

	FL2	I assure that I purchased item which are reasonable price.
	PBC1	The lower price products usually my choices
	FA1	I prepare a list of required items ahead of time before shopping
Financial Literacy	FA3	A written budget is absolutely essential for successful financial management.
	FL4	I always follow a monthly budget.

4.5.3 Reliability Test

Table 4.10: Reliability Test

Sources: (Develop For The Research)

Variables	Cronbach's Alpha	Number of Items	Result
DV1	0.813	5	Good
IV1	0.763	6	Acceptable
IV2	0.836	5	Good
IV3	0.676	5	Questionable
IV4	0.683	2	Questionable

The table 4.10 above showing that there are cronbach's alpha tests of four independent and one dependent variable have been tested with 384 respondents in the research. It indicate that spending behaviour towards debt and subjective norm have achieved of good result in cronbach's alpha showing that the items of each construct are good correlated to each other's. However, only financial attitude are achieving acceptable in cronbach's alpha test. Lastly, there are perceived behavioural

control and financial literacy have achieved only questionable in cronbach's alpha in result according to Saunders et al. (2016).

4.6 Descriptive Statistics

Table 4.11 Descriptive Statistics on Each Variable

Sources: (Develop For the Research)

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
DV1	384	1.80	5.00	4.0578	.46506
IV1	384	2.00	5.00	3.4618	.75674
IV2	384	1.20	5.00	3.9016	.80921
IV3	384	2.20	5.00	3.8766	.64478
IV4	384	2.00	5.00	3.9049	.75147
Valid N (list wise)	384				

Based on table 4.11, the table shows the mean and standard deviation of each variables of spending behaviour towards debt, financial attitude, subjective norm, perceived behavioural control and financial literacy. Spending behaviour has the highest mean of 4.06. Subsequently, it followed by subjective norm and financial literacy which both have the equivalent mean of 3.90. However, perceived behavioural control and financial attitude have the lowest mean which it score 3.88 and 3.46. The table 4.11 indicates that majority of the respondents agreed that subjective norm and financial literacy has influence on spending behaviour towards debt among young professional.

In this research, subjective norm has the highest standard deviation which is 0.81, followed by financial literacy and financial attitude where both of them score 0.76 and 0.75 respectively. Next, the perceived behavioural control and spending

behaviour towards debt are among the lowest standard deviation where it only scores 0.64 and 0.47 respectively. This all low standard deviation value show that respondents are not deviate from their mean and most are exactly agree to the mean value.

4.7 Pearson's Correlation Coefficient

Table 4.12 and 4.13 shows the correlation between the four independent variables which are financial attitude, subjective norm, perceived behavioural control and financial literacy to dependent variable which is spending behaviours towards debt among young professional in Malaysia.

Table 4.12: Pearson's Correlation Analysis

Sources: (Develop For the Research)

		DV1	IV1	IV2	IV3	IV4
DV1	Pearson Correlation	1	.395**	.637**	.176**	.514**
	Sig. (2-tailed)		.000	.000	.001	.000
	N	384	384	384	384	384
IV1	Pearson Correlation	.395**	1	.353**	.170**	.261**
	Sig. (2-tailed)	.000		.000	.001	.000
	N	384	384	384	384	384
IV2	Pearson Correlation	.637**	.353**	1	.077	.387**
	Sig. (2-tailed)	.000	.000		.133	.000
	N	384	384	384	384	384
IV3	Pearson Correlation	.176**	.170**	.077	1	.070

	Sig. (2-tailed)	.001	.001	.133		.171
	N	384	384	384	384	384
IV4	Pearson Correlation	.514**	.261**	.387**	.070	1
	Sig. (2-tailed)	.000	.000	.000	.171	
	N	384	384	384	384	384
**, Correlation is significant at the 0.01 level (2-tailed).						

Where:

DV1	Spending Behaviour towards Debt
IV1	Financial Attitude
IV2	Subjective Norm
IV3	Perceived Behavioural Control
IV4	Financial Literacy

From the table 4.12, it indicates that the correlation of financial attitude, subjective norm, perceived behavioural control and financial literacy were categorized as positive relation towards spending behaviour towards debt as the correlation values are 0.395, 0.637, 0.176 and 0.514. All variables are significant (2-tailed) with ($p=0.000$) and ($p=0.001$) which were all lower than 0.01. However, this prove that subjective norm have the strongest moderate positive relationship towards spending behaviour towards debt but perceived behavioural control showing the lowest moderate positive relationship towards spending behaviour towards debt.

Table 4.13: Strength Of Pearson's Correlation Coefficient*Sources: (Develop For the Research)*

Independent Variables	Pearson's Correlation	Association Strength
Financial Attitude	0.395	Weakly Positive
Subjective Norm	0.637	Moderately Positive
Perceived Behavioural Control	0.176	Negligible Positive
Financial Literacy	0.514	Moderately Positive

In a conclusion, as shows in table 4.13, the strength of association for all independent variables are considered as positive linear relationship in significant (2-tailed) with the spending behaviour towards debt among young professional in Malaysia. The subjective norm and financial literacy is belong to moderate positive relationship towards spending behaviour towards debt because they fall into categories of 0.50 - 0.75 based on the table 3.3 in chapter 3. However, the rest variables such as financial attitude fall on weakly positive towards spending behaviour. Lastly, perceived behavioural control fall on negligible positive towards spending behaviours where the relationship between this independent variables and dependent variable are not strong.

4.8 Multiple Regression Analysis

Since this study includes more than one independent variable, the researchers developed the multiple linear regression analysis in order to examine the relationship between all the five independent variables of the research which are financial attitude, subjective norm, perceived behavioural control and financial literacy were used to determine their linear relationship on spending behaviour towards debt among young

professional in Malaysia by assessing coefficients for the for the equation for a straight line.

Table 4.14: Model Summary of Multiple Regressions

Sources: (Develop For the Research)

Model Summary^b									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig.F Change
1	.720 ^a	.519	.514	.32427	.519	102.199	4	379	.000
a. Predictors: (Constant), IV4, IV3, IV1, IV2									
b. Dependent Variable: DV11									

According to the table 4.14 above, R multiple represented by $R=0.720$ indicates that four independent variables are highly correlated to and effect on spending behaviour towards debt. The coefficient of determination, R square of 0.519 represents that a total variation of 51.90% in spending behaviour towards debt can be explained by all four independent variables which bigger than 0.5 is consider as good value as there are less variance of error towards spending behaviour as independent variable in regression model improve the fit (Minitab, 2013). The remaining 48.10% of the variation is unexplained. In other words, there are other significant factors that affecting spending behaviour towards debt is not included in this study.

Table 4.15: ANOVA of Multiple Regressions*Sources: (Develop For the Research)*

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	42.985	4	10.746	102.199	.000 ^b
	Residual	39.852	379	.105		
	Total	82.837	383			
a. Dependent Variable: DV11						
b. Predictors: (Constant), IV4, IV3, IV1, IV2						

From the table 4.20 above, the p-value of 0.00 is less than alpha value of 0.005. F-value of 102.199 is significant as the higher the F value indicate alternative hypothesis are well fit and be accepted in the model. Thus, the alternative is accepted at alpha= 0.05. This indicates that overall multiple regressions model is significant at the 5% level of significant and the regression model is relationship between spending behaviour towards debt among young professional in Malaysia and determinants of financial attitude, subjective norm, perceived behavioural control and financial literacy.

Table 4.16: Coefficient of Multiple Regressions*Sources: (Develop For the Research)*

Coefficient of Multiple Regression								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	1.744	.139		12.509	.000	1.469	2.018
	IV1	.084	.024	.137	3.514	.000	.037	.131
	IV2	.270	.023	.469	11.642	.000	.224	.315
	IV3	.070	.026	.097	2.680	.008	.019	.121
	IV4	.179	.024	.290	7.420	.000	.132	.227
a. Dependent Variable: DV11								

According to table 4.16, each of the independent variables in this research provides a contribution which is used to predict spending behaviour towards debt among young professional in Malaysia. First, the strongest and sole predictor is subjective norm, $\beta = 0.270$, $t(384) = 11.642$, $p < 0.05$. This is because the unstandardized beta, β of subjective norm is the highest positive value compared with other independent variables. From this result, subjective norm has the highest influence of positive relationship with the spending behaviour towards debt.

Then, the second strongest predictor is financial literacy, $\beta = 0.179$, $t(384) = 7.420$, $p < 0.05$. This is because the unstandardized beta, β of financial literacy is the second highest positive value compared with other independent variables. From this result, financial literacy has the second highest influence of positive relationship with the spending behaviour towards debt among young professional.

Next, followed by the third strongest predictor is financial attitude, $\beta = 0.084$, $t(384) = 3.514$, $p < 0.05$. This is because the unstandardized beta, β financial attitude is the third highest positive value compared with other independent variables.

Last but not least, the lowest predictor is perceived behavioural control, $\beta = 0.070$, $t(384) = 2.680$, $p < 0.05$. This is because the unstandardized beta, β of perceived behavioural control is the lowest positive value compared with other independent variables. From this result, perceived behavioural control has moderate positive relationship with spending behaviour towards debt among young professional.

From the result above, although each of the independent variables has different value and influence towards the dependent variable, but each of them has develop different contribution and provide a significantly prediction towards the spending behaviour towards debt among young professional. Based on the result of multiple regression, the relationship between dependent variable and four different independent variables can be determined based on the following multiple regression equation. The multiple regression of this study is shown as below:

$$Y = a + bX_1 + cX_2 + dX_3 + eX_4 + fX_5$$

$$Y = 1.7 + 0.08X_1 + 0.27X_2 + 0.07X_3 + 0.18X_4$$

Where:

A	Constant/Other influences
B	Influence of X1 (financial attitude)
C	Influence of X2 (subjective norm)
D	Influence of X3 (perceived behavioural control)
E	Influence of X4 (financial literacy)
	Dependent Variable (spending behaviour towards debt)
X1, X2, X3, X4	Independent Variables.

In a conclusion, the regression equation is established to predict the spending behaviour towards debt is:

Spending behaviour towards debt = 1.7 + 0.08 (financial attitude) + 0.27 (subjective norm) + 0.07 (perceived behavioural control) + 0.18 (financial literacy). Thus, the regression equation is established to show how the variables are associated to each other.

4.9 Hypothesis Testing

According to Harchaoui et al. (2013), the purpose of hypothesis testing was to build a statistical decision rule to answer the problems outline in research and hypothesis must be chosen between two competing hypothesis, H_0 and H_1 .

Where:

H_0 is the null hypothesis

H_1 is the alternative hypothesis

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Based on table 4.16 Coefficient of Multiple Regression, the β values and constant for regression equation and significant of independent variables in the model 1 in predicting the spending behaviour towards debt were estimated. If the value of significant equal or less than 0.05, the null hypothesis was rejected, the alternative hypothesis is accepted.

Hypothesis 1: Financial Attitude

H0: There is no significant relationship between financial attitude and debt among young professional in Malaysia.

H1: There is significant relationship between financial attitude and debt among young behaviour in Malaysia.

Based on the table 4.16, the financial attitude, $t(384) = 3.514$ with $p = 0.000$. Since the p-value was below 0.05, then the alternative hypothesis H1 was be accepted, reject for null hypothesis, H0. Thus, the financial attitude has a significant relationship with spending behaviour towards debt since there was relationship to the spending behaviour with $B = 0.084$. This result finding was strengthen the previous finding where in Ilmu's research found that financial attitude was the most influencing variable toward financial management behaviour where financial management behaviour is practically about spending behaviour. Besides that, in the research it also stated that financial management behaviour was the most influencing variable toward financial satisfaction.(Ilmu *et al.*, 2016) . However, in the result of this research, financial attitude only ranked number three where it is not the most significant to spending behaviour towards debt. The result was dissimilar with Ilmu's finding but it proved that there was significant relationship between financial attitudes with spending behaviour towards debt. Furthermore, in Donnelly research, the researcher found that facing high levels of debt may result in poor money management and detrimental consumption behaviours. Somehow the researcher names it as negative financial attitude. This results imply that in order to minimize debt accumulation and overspending, the public must increase their money management skills (Donnelly, Iyer and Howell, 2012) .

Hypothesis 2: Subjective Norms

H0: There is no significant relationship between subjective norms and debt among young professional in Malaysia.

H1: There is a significant relationship between subjective norms and debt among young professional in Malaysia.

According to the table 4.16, the subjective norms, $t(384) = 11.642$ with $p = 0.000$. Since the p-value was below 0.05, then the alternative hypothesis, H2 was accepted, reject for null hypothesis, H0. Thus, the subjective norm has a significant relationship with the spending behaviour towards debt and it was the strongest relationship to the spending behaviour towards debt where $B = 0.270$. Interestingly, the result was inconsistent with Adzis research finding where in Adzis research, the researcher found that materialism variable is insignificant, implying that young Malaysians represented in this sample do not possess materialistic attitude that lead to indebt-ness. However, in the researcher did make assumption that the finding of the researcher's research should be interpreted with caution, because the data was collected from respondents in northern states of Malaysia, where the socio-economic background and living lifestyle might different than respondents from urban areas such as Kuala Lumpur, Penang, and Johor Bahru. The data was also gathered during a time when Malaysian government had a tremendous cut in its budget, particularly in some economic sectors which could affect spending behaviour or attitudes toward debt for some respondents, which may limit the generalizability of the findings.(Adzis, Bakar and Shahr, 2017). On the other hand, the results of the research was consistent with some previous studied where Al-Swidi found that subjective norms significantly moderate the relationship with buying intention as well as between perceived behaviour control and buying intention. Therefore, the researcher's finding where subjective norms significantly influence attitude toward buying intention or known as spending behaviour are proclaims (Al-Swidi *et al.*, 2014). The result also supported by Brown's research where Brown found that financial literacy education exposure will decreases the incidence of adverse outcomes such as bankruptcies and reduces the likelihood of youth carrying debt(Brown *et al.*, 2016). The researcher assumes that the dissimilar result in finding

is because majority of previous studies overlooked the role of subjective norms in determining the spending behaviour (Al-Swidi et. al 2014).

Hypothesis 3: Perceived Behavioural Control

H0: There is no significant relationship between perceived behavioural control and debt among young professional in Malaysia.

H3: There is a significant relationship between perceived behavioural control and debt among young professional in Malaysia.

According to the table 4.16, the perceived behavioural control, $t(384) = 2.680$ with $p = 0.008$. Since the p-value was below 0.05, then the alternative hypothesis H3 was accepted, reject for null hypothesis, H0. Thus, the perceived behavioural control did have a significant relationship with the spending behaviour towards debt. This result was validate with Stromback research in 2017 where the researcher stated that people with good self-control are more likely to save money from every pay-check, have better general financial behaviour, feel less anxious about financial matters, and feel more secure in their current and future financial situation.(Strömbäck *et al.*, 2017). Furthermore, in Sweet's research finding it shows that personal debt failure is associated with worse health issues such as blood pressure, self-reported physical, emotional symptoms, depression, anxiety and perceived stress. (Sweet, 2018).

Hypothesis 4: Financial Literacy

H0: There is no significant relationship between financial literacy and debt among young professional in Malaysia.

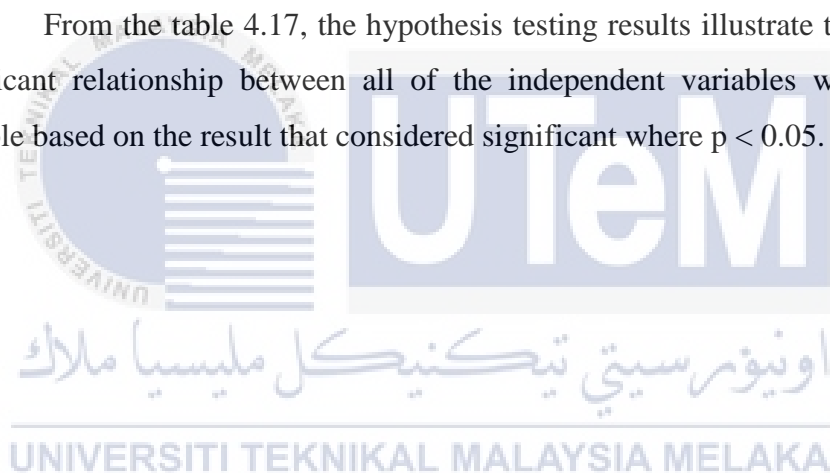
H4: There is a significant relationship between financial literacy and debt among young professional in Malaysia.

According to the table 4.16, the financial literacy, $t(384) = 7.420$ with $p = 0.000$. Since the p-value was below 0.05, then the alternative hypothesis H4 was accepted, reject for null hypothesis, H0. Thus, the financial literacy did have a significant relationship with the spending behaviour towards debt. The result was recognized by Fezleena's research where the researcher found that higher level of financial knowledge is the factors that influence the most desirable financial behaviour in spending habits. Secondly, the researcher also stated that financial knowledge can be enhanced through financial education in order to improve their financial planning. Finally, the result indicates that financial knowledge have positive relationship with spending habits (Fazleena Azmi and Ramakrishnan, 2018). In Shaari's research, the result was consistent with researcher finding where the results revealed that the spending habit have a significant positive relationship with the financial literacy, whereby the age and gender are negatively associated with the financial literacy (Shaari *et al.*, 2013). Lastly, the findings of Adris suggest that money management skills and income level significantly influence the debt level of Malaysian young adults where financial literacy is the cause of spending behaviour towards debt (Adris, Bakar and Shahr, 2017).

Table 4.17: Hypothesis Testing Result*Source: (Developed For the Research)*

Independent Variables	P Value	Result
Financial Attitude	0.000	Accepted H1
Subjective Norm	0.000	Accepted H2
Preceived Behavioural Control	0.008	Accepted H3
Financial Literacy	0.000	Accepted H4

From the table 4.17, the hypothesis testing results illustrate that there are a significant relationship between all of the independent variables with dependent variable based on the result that considered significant where $p < 0.05$.



4.10 Summary

In a summary, this chapter has mainly discussed about all the result and data that has developed by this research and analysing method. SPSS Version 25.0 was chosen by the researcher for the purpose to analyse the data that developed from 384 respondents to research about the spending behaviour towards debt among young professional in Malaysia. The validity test and reliability test were used in the pilot test with 30 respondents have been chosen and the result shows that this research has reached the validity test and reliability standard which by Cronbach's alpha analysis and factor analysis. The Pearson's coefficient result analysed by SPSS software showed that there is a moderate positive correlation relationship between independent variables such as subjective norm and financial literacy with dependent variable which is spending behaviour towards debt among young professional in Malaysia as all variables are significant (2-tailed) with ($p=0.000$) which were all lower than 0.05. Furthermore, this research also proved that subjective norms have the strongest moderate positive relationship towards spending behaviour but perceived behavioural control showed negligible positive relationship towards spending behaviour towards debt. From multiple regression analysis, it proved that the strongest and sole predictor is subjective norm that influence most on spending behaviour while from the hypothesis testing, all the four independent variables which are financial attitude, subjective norm, perceived behavioural control and financial literacy have a significant relationship with spending behaviour towards debt among young professional in Malaysia.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATION

In this chapter, the researcher will make a summary, conclusion and recommendations of the research finding based on literature reviews and data analysed. Specifically, there are four sections are presented in this chapter which are summary of findings, implication, limitation of the research and recommendation for the future research. In summary, there are majority respondents with background from female, aged within 21-25 years old, degree education and private sectors workers.

5.1.1 Summary of Findings

5.1.2 Research Objective 1

RO1: To identify the components that effecting spending behaviour toward debt among young professional.

The researcher reached the first research objective by using factor analysis in SPSS software. The result and finding show that all independent variables (financial attitude, subjective norm, perceived behavioural control and financial literacy) are suitable to be the determinants the spending behaviour towards debt among young professional in Malaysia. The four components of theory of planned behaviour have proved itself as reliable to each other with middling KMO value (0.783). Based on

the finding, the result show only 5 components were extracted, exactly the four independent variable and one dependent variables. Besides, the communalities showed that all 23 items listed had good convergence validity which is are spending behaviour towards debt, financial attitude, subjective norm, perceived behavioural control and financial literacy. This result is close to East (1993) research where the researcher applied the theory of planned behaviour to investigate investment decision. On the other hand, the result also close to Bansal and Taylor (2002) research , where the researcher use sample of mortgage clients to identify the interaction between components using theory of planned behaviour and they found that there are interaction between attitude and subjective norms significantly affected behavioural intention .

5.1.3 Research Objective 2

RO2: To analyse the relationship between components of spending behaviour and debt among young professional.

The researcher reached the second research objective by using SPSS software's Pearson's Correlation Coefficient. The finding show that all independent variables such as financial attitude, subjective norms, perceived behavioural control and financial literacy are positively associates to the dependent variable which is spending behaviour towards debt. Besides that, it also shows all independent variables (financial attitude, subjective norms, perceived behavioural control and financial literacy) have significant relationship with spending behaviour towards debt. While the subjective norms and financial literacy is belongs to moderately positive relationship towards spending behaviour because they fall into categories of 0.50 - 0.75 based on the table 3.3 in chapter 3. However, other variable such as financial attitude were categorised as weakly positive with spending behaviour towards debt. Lastly, the perceived behavioural control only falls at negligible positive with spending behaviour towards debt. This result was stated that all the independent variables are significant with spending behaviour towards debt. Thus, the analysis result has proved that subjective norms and financial literacy have the strongest

moderate positive relationship influence towards spending behaviour but perceived behavioural control have only negligible positive relationship towards spending behaviour.

For illustration, the subjective norms has the most strongest moderately positive relationship with spending behaviour which had proved to be has a significant relationship with the spending behaviour towards debt among young professional in Malaysia since the results was inconsistent with previous research where Adzis found that subjective norms the materialistic is insignificant with attitude that will lead to indebt-ness. In summary, it indicates the social pressure will lead to the spending behaviour towards debt. Young professional's perception about the particular behaviour will be influences by the judgment of others such as parents, spouse, friends and teachers. Thus, by referring to the result, the researcher can conclude that young professional care about the perception of other people's views and thoughts thus they would spend more money in dressing up themselves which lead to indebt-ness.

Next, financial literacy has the second strongest moderate positive relationship with spending behaviour towards debt. The relationship was proven in Shaari's research where the results of the researcher's finding revealed that the spending habit have a significant positive relationship with the financial literacy, whereby the age and gender are negatively associated with the financial literacy (Shaari *et al.*, 2013). Besides that, previous research also suggest that money management skills and income level significantly influence the debt level of Malaysian young adults where financial literacy is the cause of spending behaviour towards debt (Adris, Bakar and Shahar, 2017).

Furthermore, the financial attitude has ranked in weakly positive relationship with spending behaviour towards debt. In conclude, young professional might perform certain behaviour due to some economic and non-economic beliefs possessed by the individual on the outcome of certain behaviour. The result of this finding was dissimilar with Ilmu's finding where in Ilmu's finding; financial attitude was the most influencing variables towards spending behaviour. However, it also

proved that there was significant relationship between financial attitudes with spending behaviour towards debt.

Lastly, the perceived behavioural control has only negligible positive relationship with spending behaviour towards debt. Thus, the perceived behavioural control did not have a significant relationship with the spending behaviour towards debt. Similar with Stromback research where the research finding stated that people with good self-control are more likely to save money from every pay-check, have better general financial behaviour, feel less anxious about financial matters, and feel more secure in their current and future financial situation.(Strömbäck *et al.*, 2017). Therefore, objective 2 of this research is achieved where the relationship between components of spending behaviour and debt among young professional are confirmed.

5.1.3 Research Objective 3

RO3: To examine the most significant components of spending behaviour that influence on debt among young professional.

The researcher reached the third research objective by using SPSS statistic's Coefficient of Multiple Regressions. The unstandardized beta shows that subjective norms has been proved to be the most significant influence to spending behaviour towards debt among young professional in Malaysia. The result was not parallel with previous finding where previous research found that subjective norms was not significant with spending behaviour towards debt. The previous research stated that young Malaysians do not possess materialistic attitude that lead to indebtedness. However, in the previous researcher did make assumption that the finding of the researcher might be different because the research's data was collected from respondents in northern states of Malaysia, where the socio-economic background and living lifestyle might different than respondents from urban areas such as Kuala Lumpur, Penang, and Johor Bahru. The previous research also mention that the research was conducted when Malaysian government had a tremendous cut in its

budget, particularly in some economic sectors which could affect spending behaviour or attitudes toward debt for some respondents, which may limit the generalizability of the findings.(Adzis, Bakar and Shahar, 2017).

The second most significant independent variable is financial literacy, where the data has been proved to be significant influence to spending behaviour towards debt among young professional in Malaysia. The result was consistent with previous research where others researcher found that higher level of financial knowledge is the factors that influence the most desirable financial behaviour in spending habits. Besides that, the researcher also stated that financial knowledge can be enhanced through financial education in order to improve their financial planning. Thus, the result indicates that financial knowledge have positive relationship with spending habits (Fazleena Azmi and Ramakrishnan, 2018).

Thirdly most significant independent variable is financial attitude, where the p value has been proved to be significant influence on spending behaviour towards debt among young professional in Malaysia. This result finding was supported by the previous finding where in Ilmu's research, the research found that financial attitude was the most influencing variable toward financial management behaviour that is practically about spending behaviour.(Ilmu *et al.*, 2016). However, in the result of this research, financial attitude only ranked number three where it is not the most significant influence on spending behaviour towards debt.

Lastly, perceived behavioural control has also been proved as significant influence on spending behaviour towards debt but it is the lowest compared to others independent variables. This significant influence was supported by Stromback research where the researcher stated that people with good self-control are more likely to save money from every pay-check, have better general financial behaviour, feel less anxious about financial matters, and feel more secure in their current and future financial situation.(Strömbäck *et al.*, 2017). Furthermore, in Sweet's research finding it shows that personal debt failure is associated with worse health issues such as blood pressure, self-reported physical, emotional symptoms, depression, anxiety and perceived stress. (Sweet, 2018).

In overall, subjective norms has been proved to be the most significant determinants to be influence on spending behaviour towards debt among young

professional in Malaysia. It is been proved as the important determinants which influence spending behaviour towards debt because young professional nowadays are always concern about the perception of other people's views and thoughts. Thus, they would spend more money in dressing up themselves which lead to indebt-ness. Hence, objective 3 is achieved with the most significant components of spending behaviour that influence on debt among young professional which is subjective norms.

5.2 Implication Of The Research

The data analyses are carried out to fulfil the main of the research objectives which is to identify the relationship between the determinants of financial behaviour towards debt among young professional in Malaysia. In the end, the researcher is able to fulfil the objectives by providing data analysis through Statistical Package for Social Sciences using factor analysis, Pearson's correlation, multiple regression test and hypothesis test on the relationship of determinants such as financial literacy, subjective norms, perceived behavioural control and financial attitude that affecting spending behaviour towards debt among young professional in Malaysia. In summary, respondents are easily influence by the judgment of significant others such as parents, spouse, friends and teachers. Respondents also receive social pressure where they will choose to perform or not to perform the target behaviour such as spending in dressing themselves in better way which causes indebt-ness to them. All the components have reached the expectation towards spending behaviour among young professional in Malaysia. Furthermore, from theoretical contribution, this research found that the theories of planned behaviour are valid which it can be used to identify that causes of financial issues and indebt-ness.

From managerial contribution, in order to know what the causes of increasing in bankruptcy are, it is important to understand the factors that influence spending behaviour towards debt among young professional in Malaysia. This research tried to provide depth measurement and understand the antecedents of

components that effect on spending behaviour towards debt among young professional in Malaysia. Firstly, this research study has suggest to identify the causes of debt from financial attitude as financial attitude scored the second lowest predictor from spending behaviour towards debt based on regression analysis. The young professional should targeting the dominant aspect as financial attitude is the pre-disposition for a person to behave in a particular manner that formed due to some economic and non-economic beliefs possessed by the individual on the outcome of certain behaviour. Thus, the young professional should carefully control their spending in order to have a positive financial attitude which allows them to achieve financial freedom.

Besides, the young professional should pay more attention on perceived behavioural control because spending behaviour is an individuals' own judgment about their capabilities to engage in a particular behaviour. However, there are research finding shows that health issues also may causes personal debt failure such as blood pressure, self-reported physical, emotional symptoms, depression, anxiety and perceived stress. (Sweet, 2018).

In overall, young professional should focus on all the components of spending behaviour towards debt because each components may causes them to be in debt-ness. Efforts to improve these components can reduce indebt-ness, which in turn will lead to achieving financial freedom. Young professional should regularly improve themselves in financial management and knowledge which will help to provide them a better future.

5.3 Limitation Of The Research

Although the results of analyses are statistically significant, there was including limitation in this study. Problems were incurred when designing the questionnaire in order to determine what design would be clear and understandable by the young professional as well as highly accurate and precise. Since the questionnaire was designed to answer the research questions and to fulfil the research objectives in this research, hence, the data might not able to provide enough evidence or opinion of the young professional spending behaviour towards debt. Therefore, more advise or opinion should give from the young professional to produce a perfect questionnaire that can be used for this research. Besides, the samples size obtained from respondents may not be representative of the general population as most of the respondents in this research were aged 21 - 25 years old. Thus, analytical results presented here may tend to be bias to all the age group.



5.4 Recommendation for Future Research

As for future researcher, it is recommended to develop an inventory of spending behaviours that cover all aspects of behaviour which relevant to indebt-ness. In this research, spending behaviour are defined for specific research purpose only where it is not comprehensive. An inventory of spending behaviour with accepted reliability and validity could be helpful for financial educators and researchers when they evaluate financial education programs and measure social impacts of the programs on people's behaviour change and quality of life.

Furthermore, since researcher only focus on spending behaviour towards debt among young professional in Malaysia, hence, future research are recommended to extend these results in other geographical areas such as focused in certain state. Thus, the researcher can get more details analysed data and comparing the result by each state in Malaysia.

Last but not least, the future researcher can study at other components that effect on spending behaviour towards debt among young professional in Malaysia. For instance, theory will be of planned behaviour will be useful for future research because of the additional components is incorporates which proved to be adding value to the theory of planned behaviour. Also, future researcher can re-test on the perceived behavioural control variable for spending behaviour towards debt in future to compare whether have any different with this research. In the whole, the researcher believe that further research could be conducted in order to enhance the understanding of these concepts, since there can be really important in reducing bankruptcy nowadays.

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APPENDICES

Appendices A: Questionnaires



**Faculty of Technology Management and Technopreneurship
Universiti Teknikal Malaysia Melaka
1, Jalan TU 62, Taman Tasik Utama, 75350 Melaka**

Determinants Of Spending Behaviour Towards Debt Among Young Professional in Malaysia

This is an academic research questionnaire which is intended to identify the determinants of spending behaviour towards debt among young professional in Malaysia. The main objective of this research is to examine the relationship and identify the most significant components that influence spending behaviour towards debt among young professional such as financial attitude, subjective norms, perceived behavioural control and financial literacy.

All response for this questionnaire will be used for the purpose of this study and will be treated with strictest confidence.

****Confirmation Question****Section A: Demographic Information of Respondent**

This section is to obtain general information pertaining to your background. Please tick (✓) the appropriate answer in the box provided.

a) Gender: Male Female

b) Age: 21 - 25 26-30
31 - 35

c) Education Level: Degree
Master
PHD

Other: Please Specify _____

e) Employment Status:

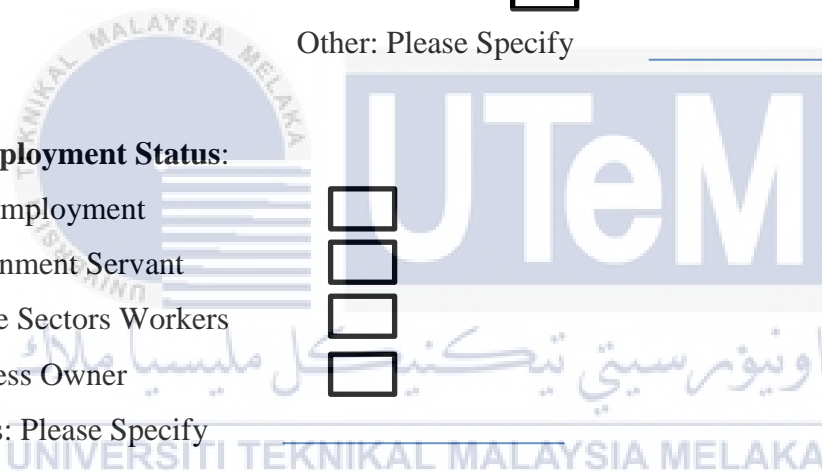
Self-Employment

Government Servant

Private Sectors Workers

Business Owner

Others: Please Specify _____



Section B: The effect of spending behaviour towards debt among the Young Professional in Malaysia.

This section is the statements that reflect your perception to the effect of spending behaviour towards debt among the Young Professional in Malaysia.

Please tick (✓) your answer in the appropriate space to demonstrate the extent of your agreement with each statement by using the five-point interval scale as below:

1	2	3	4	5
<p>Strongly Disagree ←————→ Strongly Agree</p>				

Financial Attitude

	Item	1	2	3	4	5
1	I prepare a list of required items ahead of time before shopping					
2	I spend on the items that I need it most.					
3	A written budget is absolutely essential for successful financial management.					
4	I have a hard time resisting when I am offered something at a discounted price.					
5	I compare prices between shop before buying a product.					

Subjective Norm

	Item	1	2	3	4	5
1	When I see what others own, such as clothes or a car, I often wish I could own it too.					
2	I often spend money on my lifestyles to follow the trends.					
3	I often learn about new things to buy from my friends and those I admire.					

4	My purchases will be influenced by any comparison with other people.					
5	I buy things that I can't really afford so that I will appear to be on the same level as my friends.					

Perceived Behavioural Control

	Item	1	2	3	4	5
1	The lower price products usually my choices					
2	I prefer buying best-selling brands.					
3	I look carefully to find the value of my money when spending.					
4	I postpone my shopping until sales period.					
5	The more expensive brands are usually good choices.					

Financial Literacy

	Item	1	2	3	4	5
1	I spend wisely to achieve financial freedom.					
2	I assure that I purchased item which are reasonable price.					
3	I do not spend on items which I do not require.					
4	I always follow a monthly budget.					
5	I always bring small amount of cash to prevent impulse.					

Section C: Spending behaviour towards debt among the Young Professional in Malaysia.

This section is the statements that reflect your perception to the spending behaviour towards debt among the Young Professional in Malaysia.

Please tick (✓) your answer in the appropriate space to demonstrate the extent of your agreement with each statement by using the five-point interval scale as below:

1	2	3	4	5		
Strongly Disagree		←————→			Strongly Agree	

Spending Behaviour towards Debt.

	Item	1	2	3	4	5
1	I use credit card for ordinary purchase when I have cash.					
2	I pay my bills on time.					
3	I spend more money than I earn.					
4	I check my invoices and bills to avoid possible mistakes and debts.					
5	I spend money that I not yet earn. (Eg: Credit Card)					

Any queries please address to:

Student

Name : Chew Zhen Chang

E-mail : renzhangchew@gmail.com

B: Gantt Chart PSM 1 (*Completion Of Milestone)

Year	2018/2019															
Task/Week	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Talk of FYP 1																
First Meeting Supervisor																
Topic Discussion and Confirmation																
Read Journal and Articles				*												
Forming Theoretical, Research Framework and Objectives				*												
Chapter 1 – Introduction																
Revised Introduction with Supervisor								*								
Chapter 2 – Literature Review																
Revised Literature Review with Supervisor													*			
Chapter 3 – Research Methodology																
Revised Methodology with Supervisor													*	*		
Submission of FYP 1																*
Presentation of FYP																*
Revised of FYP 1																*

