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The Influence of Financial Literacy, Debt and Financial Management on Financial Well-Being of Working Individuals

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Abstract--*This study aims to determine the influence of financial literacy, financial management, debt and demographic factors (gender, age and education) on financial well-being of individuals working in Perak, Kedah and Federal Territory of Kuala Lumpur and Putrajaya. The states are selected based on average income of working individuals (high and low average income). Data was collected through google form questionnaire to individuals working in these states. A total of 403 responses are used for data analysis. Two hypotheses are examined: i) Financial literacy and demographic factors influence on financial management and ii) Financial literacy, financial management, debt and demographic factors influence on financial well-being. Multiple regression is used to investigate the influence of the independent variables on the dependent variables. The findings show that only age and education explain financial management while financial management, debt and age significantly contribute in explaining financial well-being. Financial literacy was reported as an influencing factor towards financial management and financial well-being in many research, but no statistical significance is found in this study. This may be an indicator of the need for a more comprehensive financial literacy training for workers or specific modules can be designed at secondary or tertiary levels to ensure everyone learns adequate financial knowledge. These findings can be the basis for policy makers in introducing a comprehensive financial education planning through government and non-governmental organizations such as Ministry of Education, the Counselling and Credit Management Agency (AKPK) and employers. Good financial knowledge will enable individuals to play their role effectively in the increasingly challenging economic environment of the country.*

Key words--*Financial literacy, financial management, debt, financial well-being and demographic factors*

I. INTRODUCTION

Over the past decade the stability of the world economy has declined and recession has caused increasing inflation and unemployment and reducing households' income. This raise the need for individuals to be financially literate and being able to manage their finance (Lusardi & Olivia, 2011a). Fraczek and Klimontowicz (2015) emphasized that financial literacy and education levels determine the capabilities for

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managing everything related to finance. One of the skills that could have a positive effect on economic capability is financial literacy.

Financial literacy can be defined as possessing knowledge necessary in order to understand concepts related to finance (OECD, 2011; 2013). It means having the ability to understand and analyze financial options, plan for the future, and respond appropriately to events (Vitt, Anderson, Kent, Lyter, Siegenthaler & Ward, 2000).

Having the ability will definitely influence the conditions of life and work and can be very helpful in making financial plans for the future. Unfortunately, despite the importance of financial literacy, research has shown that this ability, especially in developing and underdeveloped countries is not sufficient and barriers such as the complexity of financial life, the existence of many options in making decisions and having not enough time and money to learn about personal finance issues, caused low financial literacy among the communities. Debt is also said to be a factor that can affect financial well-being as it will cause a person to face life inequality and work instability (Zaimah Ramli, Sarmila Md. Sum & Habib Ismail, 2013). Debt problems begin when an individual fails to handle his/her accumulated debt that often increases steadily (EPIC, 2018). Individuals with good level of financial knowledge will be able to practice favourable financial management which will consequently give positive impacts on their life in the long term (Azwadi Ali, Mohd Rahman & Alif Bakar, 2015).

Financial well-being is a state of being able to control personal finances, able to absorb financial shock, in the right track to meet the financial goals and have financial freedom to make the choices that will make life much more enjoyable (CFPB, 2015). The concept of well-being can be in terms of material and non-material aspects of a person's perception from their financial status, improved standards of living, ability to meet family needs, feeling safe, comfortable and satisfaction with their income (Mohamad Fazli Sabri & Nurul Farhana Zakaria, 2015). Thus, financial literacy is closely linked to debt management, financial management, and financial well-being of individuals. One of the gaps in the research literature is the absence of study in which these four important variables, namely financial literacy, debt, financial management and financial well-being are considered in a framework. This research can help fill this gap in the research literature.

II. PROBLEM STATEMENT

Early researches (Dowling, Corney & Hoiles, 2009; Volpe, Chen & Liu, 2006) found that the level of knowledge regarding financial planning was low among school students, university level and working individuals. Based on a research on 16-18-year old conducted by Charles Schwab and Co. Inc. (2011), only 35% know how to check the accuracy of bank statement and 31% know how to calculate credit card interest. Previous studies showed that many young people who are not able to manage their finances effectively will face difficulties in life (CFPB, 2013; Norhaslinda Daud, Norlia Mat Norwani & Rohaila Yusof, 2018).

The increasing cost of living among Malaysians in the present has made individuals or households to be more concern about their financial management. In recent time, economic changes has made an impact towards how people spend, save, invest and manage risks in order to protect their standard of living especially in the long term. A research on financial saving conducted by Cho (2009) stated that 68% of the surveyed Malaysian workers lack savings. Recently, Maznita Mokhtar and Azman Ismail (2013) reported that household

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debt in Malaysia showed an increase of 33% in 1998 to 55% in 2011 through the banking loan sector. Report on the Survey of Financial Behaviours and Financial Habits of Young Workers in Malaysia by the Consumer Research and Resource Centre (CRRC) (2012) showed that 47% of young workers were in serious debt, that is their monthly debt payments were 30% or more of their gross income and 37% lived beyond their means. High-cost of living, increased cost of basic goods and amenities and financial dependents of households require them to survive and make a proper financial planning in order to ensure better financial well-being in the future. Those earning between RM2,000 and RM3,000 per month had the most serious debt problem and it was likely due to house mortgage, car loan, study loan or personal loan such as for wedding purposes, thus increasing their loan repayment obligations (CRRC, 2012; Norhaslinda Daud et al., 2018). It is even more alarming to find that the increase in debt is due to personal consumption. The issue of bankruptcy is ongoing and causing financial problems which are likely to affect personal or psychological conditions which may, in turn, decrease productivity at workplace. The CRRC survey also revealed other important findings: 15% had no savings; if they stopped working, the consumer had enough savings on an average for only 4 months; the average purchase made on credit card per month is RM702; 37% had never thought of retirement and; 60% of those who had thought about retirement were not satisfied or only somewhat satisfied with their preparations. On the issue of financial knowledge, on a score of 1 to 6 (1 –no financial knowledge and 6 strong financial knowledge), 43% scored 3 and below that is they felt that they had poor financial knowledge. Generally people rated themselves poorly in managing their money (mean score of 1.25 on a scale of 1 to 4 with 4 being good knowledge). The overall percentage for debt-driven living for the three races (Malay, Chinese and Indian) in Malaysia was 62.4 percent. This serves as an early warning that living the luxury lifestyle requires the knowledge in how to manage finances to avoid prolonged debt burden (Nur Aisyatul Radiah Alidaniah, Sanep Ahmad, Mohd Ali Mohd Noor & Mohammed Rizki Moi, 2015).

Studies on financial well-being focusing on female teachers, married public-sector workers and dual-income family in public-sector workers was conducted by Zaimah Ramli et al. (2013). The study found that most female teachers have a moderate level of financial well-being and that there are significant differences based on age, service duration and monthly income of female teachers. The findings showed that age factor does influence financial well-being. A person with high level of financial well-being is associated with good financial management in terms of spending and savings. Effective financial planning will help individual to have a better life. This statement emphasizes on reducing financial difficulties and raise saving awareness to a higher level (Joo & Grable, 2004; Dowling et al., 2009; Mohamad Fazli Sabri & MacDonald, 2010; Norhaslinda Daud et al., 2018). Consequently, this research postulates that the combination of financial problems such as low levels of financial literacy, high debt and poor financial management skills would adversely affect individuals' financial well-being. The study explores the relationship between financial literacy, debt, financial management and financial well-being among public and private employees in Malaysia. By understanding more about the contributions to the financial well-being, it is hoped to help employees to become more financial prudence and in the long run could decrease the number of employees declared bankrupt.

Conceptual Framework

This research adapts the conceptual framework by Delafrooz and Paim (2011) with some modification on the variables as depicted in Figure 1. The records examine the relationship between financial literacy,

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financial management, debt and demographic factors with financial well-being. Three dependent variables are set, the first is financial well-being with all other variables as independent variables. Secondly, debt is considered as a dependent variable while financial literacy, financial management and demographic factors are placed as independent variables. Lastly, financial management practice is placed as dependent variable and financial literacy and demographic factors as independent variables.

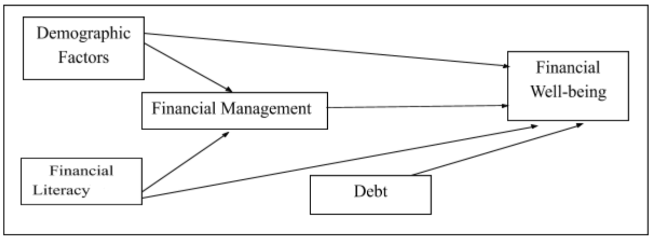

Figure 1: Conceptual Framework

Objectives of the Research

The main objective of this research is to study the effect of financial literacy, financial management and debt on financial well-being among individuals working in four selected states in Malaysia.

The specific objectives of the research are as follows:

1) To determine the influence of financial literacy and demographic factors (gender, age and education) on financial management.
2) To determine the influence of financial literacy, financial management practices, debt and demographic factors (gender, age and education) on financial well-being.

Research Hypothesis

Ho1: Financial literacy and demographic factors (gender, age and education) do not significantly influence financial management of working individuals in Malaysia.
Ho2: Financial literacy, financial management, debt and demographic factors (gender, age and education) do not significantly influence financial well-being of working individuals in Malaysia.

III. LITERATURE REVIEW

A good level of financial knowledge will influence individual in making a wise decision before spending (Bell & Lerman, 2005). Financial behaviour was studied with education, income and financial literacy in the research of Delafrooz and Paim (2011). Education, income, and financial literacy showed positive relationships with individual financial behaviour. Those with higher education have higher financial behaviour scores compared to individuals with lower education level. Russell and Stramoski (2011) proved that gender influences financial well-being. In terms of gender, women reported better financial behavior than men. According to Thums, Newman and Xiao (2008), young people aged 20 to 24 years old are facing debt management problems and their level of confidence in debt management is very low. The lack of confidence is due to low level of income and education (Thums et al., 2008; Gathergood, 2012). This will cause them to face instability in the future (Mohamad Fazli Sabri & Mumtazah Othman, 2010). Older age groups are more disciplined in their financial management and are able to ensure that their living costs are within their means.

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Those who are between 30 and 39 years old have higher financial commitments and younger family. Higher bankruptcy rate among those in their 30s (Noordin, Zakaria, Mohamed Sawal, Ngah & Hussin, 2012) have been observed. Meanwhile, the finding of Zaimah Ramli et al. (2013) suggested that age factor does influence financial well-being.

Financial management skills are also associated with the career level of individuals. The better of the career level, the better will be the financial level. Pursuing desired luxury has caused most households to live on debt. The high cost of living cause the matching of career levels and the level of income harder to reach (Abdul Basit Hodari, Tamat Sarmidi & Norlida Hanim Mohd Salleh, 2014). Financial literacy has been posited to have positive impact on financial behaviour, indicating that those who are more knowledgeable about financial matters tend to exhibit better financial behaviour. A good level of financial knowledge will affect financial management (Delafrooz & Paim, 2011; Crain, 2013). A person with high level of financial well-being is associated with good financial management in terms of spending and savings (Rath, Harter & Harter, 2010). Financial well-being is also influenced by other factors such as financial financial behavior and socioeconomic factors such as gender, age, household size, marital status, number of children, education level, job type, income and dual-income families (Cox, Hooker, Markwick & Reilly, 2009; Rutherford & Fox, 2010; Shim et al., 2009; Zaimah Ramli et al., 2013). However, research by Sam, Geetha and Mohidin (2012) showed a negative relationship between financial literacy and financial well-being. Studies have also shown that financial knowledge promotes better financial decision making. For example, it has been found that those with higher financial knowledge are able to participate in the stock market (Yoong, 2010; Van Rooij, Lusardi & Alessie, 2007) and have better asset accumulation (Jappelli & Padula, 2011; Stango & Zinman, 2007). Research also reported that the majority of respondents have cited lack of financial literacy as a major cause of over-indebtedness (Disney & Gathergood, 2011; Disney, Bridges & Gathergood, 2008). In a nationwide study of consumer finances in Malaysia, Yiing Jia Loke (2016) summarized that age, income and education level are significant determinants of the likelihood of living beyond one's means. However, Cole and Shastry (2009) who subsequently used a larger sample, found little effect of financial education on financial decisions. They found that cognitive abilities and higher education attainment lead to greater participation in financial market. The findings, although contradicted with findings of many research, are consistent with Loke, Yen and Tan (2013) who showed that those without a tertiary education (diploma, secondary and primary) are less likely to encounter problems to meet living costs compared with those with a tertiary education.

In a research to identify determinants of financial well-being across three different household income groups in Malaysia (Nurul Shahnaz Mahdzan, Rozaimah Zainudin, Mohd Edil Abd Sukor, Fauzi Zainir & Wan Marhaini Wan Ahmad, 2019) data was collected from 1,867 Malaysian households to examine their financial well-being, financial stress, financial behaviour, financial knowledge and locus of control across low, middle and high income households. Financial behaviour have a significant positive relationship with financial well-being, while financial knowledge have a significant negative relationship with financial well-being across all households. However, among the low income household, financial knowledge had no significant relationship with financial well-being.

Increased financial literacy will also increase the financial well-being of a person (Holland, Goodman & Stich, 2008; Kumaran, 2013). A survey conducted by CRRC (2012) pertaining to the behaviour and financial

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practices of young workers shows that 37% of them admitted spending more than their monthly income. The problem is said to be due to lack of knowledge related to financial management and financial planning. Various studies concluded that individuals with good level of financial knowledge will have a positive impact on their life in the long term (Azwadi Ali, Mohd Shaari Abd Rahman & Alif Bakar, 2015; Amer Azlan Abdul Jamal, Wijaya Kamal Ramlan, Mohd Rahimie Abdul Karim, Rosle Mohidin & Zaiton Osman, 2015). Past empirical studies from 20 studies assessing the linkage between debt and subjective well-being, revealed at least one significant negative effect between debt and subjective well-being (Tay, Batz, Parrigon & Kuykendall, 2017). The majority of the associations examined reported significant associations between debt and lowered well-being (57.1%). This suggests that individuals with debt generally experience more negative feelings, lower levels of life satisfaction, and/or lower levels of overall well-being. However, debt can be incurred strategically and when it is manageable, that is, when the accumulation of resources is substantially greater than the resource depletion, debt may result in positive effects. For instance, when debt is instrumental for achieving specific goals (i.e., obtaining a business loan) that can provide greater opportunities in the long run, it may have positive effects on well-being.

International studies by Lusardi and Mitchell (2011b) on financial literacy also explored how financial knowledge related to retirement planning. Based on the countries studied, individuals with high levels of financial knowledge are more likely to make retirement plans. Research findings by Taft, Hosein, Mehrizi and Roshan (2013) showed that respondents with higher financial literacy will succeed in their business and personal lives, face low financial difficulties and high holdings in long-term savings and investments.

IV. METHODOLOGY

This research uses a quantitative, survey approach to test the proposed hypotheses. Data for the population was obtained from the Department of Statistics Malaysia (2017). The sample of 403 respondents (population is 2,737,900 working individuals) consist of individuals working in Perak and Kedah (low income states) and Federal Territory of Putrajaya and Federal Territory of Kuala Lumpur (high income states). Sabah and Sarawak are not taken into consideration in this research. The number of respondents required from the research population were determined based on the states with the highest and lowest average of monthly salaries and wages. The sampling method used was non-probability, convenient sampling. The researcher emailed google form survey to representatives of selected companies in the states identified. The representatives were to forward the on-line survey to staffs in the organizations they are in. The minimum number of samples required according to Krejcie and Morgan's (1970) sampling table is 384. Based on the states selected, the proportion of samples required are approximately 36% (Perak), 32% (Kedah), 30% (Federal Territory of Kuala Lumpur) and 2% (Federal Territory of Putrajaya). The income level taken into account is based on several previous studies that include bankruptcy issues such as Elangkovan and Ahmed Razman Abdul Latiff (2013) and Noordin et al. (2012).

The questionnaire employed comprises of five parts: Part A consists of demographic factors which are gender, age, state and level of education. Parts B, C, D and E respectively contain items related to financial literacy, financial management, debt and financial well-being (15 items per variable). The questionnaire is adapted from four previous researches (Mohamad Fazli Sabri, Jariah Masud, Mohd Amim Othman, Paim, L., 2006; Nur Aina Nadiah Muhamad & Norlia Mat Norwani, 2019; Nuraini Abdullah, Mohamad Fazli Sabri,

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Husniyah Abdul Rahim, Mohd. Amim Othman, Afida Mastura Muhammad Arif & Nurul Farhana Zakaria, 2013; and Zaimah Ramli et al., 2013). Items related to financial literacy involved right (assigned 1) or wrong answer (assigned 0). This section aims to determine the level of financial knowledge that an individual possess. Score between 0 to 5 is rated low, between 9 to 10 rated moderate and between 11 to 15 rated high. Items for parts C, D and E used 4-point likert scale with 1 being Never, 2 being Sometimes, 3 being Often and 4 being Always. The mean scores interpretation will be low (1.00 to 2.00), moderate (2.01 to 3.00) and high (3.01 to 4.00). For financial management, the items in this variable depend on the respondent's actions before, during and after spending, the amount of savings made, loans and preparations for the retirement period. In this regard, the researcher can evaluate the financial management quality of the respondents. For debt, the items look at how much debt each respondent has in terms of expenses and loans, the clarification of priority bills and the level of readiness for emergencies. For financial well-being, the items determine to what extent the financial level owned now affects social factors such as personal health, family and work. In addition, the researcher also looked at the extent to which respondents were confident in the finances they had.

The researcher conducted face and content validity. Face validity refers to the language, spelling and clarity of the study instrument reviewed by non-experts in a particular field. The researcher managed to get feedbacks from four individuals in the public and private sector. Corrections have been done to rectify problem areas. For content validity, experts in a particular field need to confirm the extent to which the content in the study instrument can be measured. The views of the experts in the field need to be obtained first before the research substance used is distributed to the respondents. This is to ensure that the instruments used in the questionnaire are reviewed and in line with the objectives of the study. This validity can avoid any defect in the instrument used in the study. Two lecturers specializing in Finance and two Finance-related experts from the industry examined the instruments and the comments given were used to improve the instrument. The shortcomings in questionnaire items were improved to suit the objectives of the research.

A pilot study involving 15 public workers (teachers) from Sekolah Menengah Kebangsaan Section 19, Shah Alam and 15 private employees from The Everly Hotel, Federal Territory of Putrajaya was conducted. The overall alpha value of 60 items from all four variables which are financial literacy, financial management, debt and financial well-being is 0.857; individual scores are displayed in Table 1. The results indicate that the items are reliable for use in the research. Demographic data is analyzed using descriptive statistics, while multiple regression analysis is undertaken to accomplish the research objectives.

Table 1: Reliability Analysis of Research Instruments and Mean Score of Actual Data

Variable	**Number of Items**	**Alpha Cronbach**	**Mean Score**
Financial Literacy	15	0.892	72.31%
Financial Management	15	0.945	2.499
Debt	15	0.862	3.169
Financial Well-being	15	0.728	2.916

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Respondents' Profile Analysis and Variable Means

Table 2 shows the respondents' profile with a slight majority (53.1%) being female, 65.5% aged 20-35 years old and 49.9% of them holds Bachelor's Degree. The mean scores, based on the actual research data for all variables are as in Table 1. Financial management and financial well-being are at moderate level while debt is at high level.

Table 2: Respondents' Profile

Demograpic		**Frequency (N)**	**Percentage (%)**
Gender	Men	189	46.9
	Women	214	53.1
Age	20 – 35	264	65.5
	36 – 49	94	23.3
	≥ 50	45	11.2
Education Level	Primary School	1	0.2
	Secondary School	53	13.2
	Certificate/Diploma	122	30.3
	Bachelor's degree	201	49.9
	Master/PhD	26	6.5

Assumption Testing

Before performing regression analysis, the assumptions required are examined. Using the z-value (univariate) method 24 outliers were recorded. Therefore, the samples were taken out reducing the number of samples to 403 (initially it was 424). Skewness and kurtosis tests show that data for financial literacy, financial management, debt and financial well-being are normally distributed. The values are between -1.96 and +1.96 (Fauzi, Jamal & Mohd Saifoul, 2014). The data are also normalized if the mean and median values are close or equal (Hair et al., 2010). Hair et al. also stated that the variables are linear if the F value exceeds the quadratic and cubic values. The F values for the variables involved meet the required value. To check for multicollinearity, Variance Inflation Factor (VIF) and Tolerance values were examined. Multicollinearity problems exist if the VIF value exceeds 10 and the Tolerance is less than 0.1 (Pallant, 2010). The variables show no problem with this aspect.

V. RESEARCH FINDINGS

The influence of financial literacy and demographic factors (gender, age and education) on financial management

Referring to Table 3, the R^2 is 0.13 which means 13 percent of the variance in financial management is explained by the model consisting of independent variables: financial literacy and demographic factors (gender, age and education). The results show that financial management of the working individuals is significantly influenced (F = 11.870, Sig. = 0.000, $p < 0.05$) by age (Sig. = 0.000, $p < 0.05$) and education (Sig. = 0.001, $p <$

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0.05). The standardized coefficient values for age (beta = 0.276) and education (beta = 0.166) are both positive, indicating their influences on financial management score in the same direction of change. The low R^2 means there are other relevant variables not included in the model analysed. Only demographic variables contribute significantly towards the dependent variable. The significant contribution towards financial management by age supports findings by Noordin et al. (2012), Nur Aina Nadiah Muhamad & Norlia Mat Norwani (2019), Thums et al. (2008) and Yiing Jia Loke (2016) while education supports findings by Cole and Shastry (2009), Delafrooz and Paim (2011), Gathergood (2012), Thums et al. (2008) and Yiing Jia Loke (2016). Financial literacy, supporting the findings of Cole and Shastry (2009) and Loke et al. (2013), does not influence financial management significantly.

Table 3: Multiple Regression Analysis of Financial Literacy and Demographic Factors Against Financial Management

	Unstandardized Coef (B)	**Standardized Coef (Beta)**	**Sig.**
Constant	25.875		0.004
Financial Literacy	0.115	0.016	0.740
Gender	0.740	0.050	0.293
Age	2.964	0.276	0.000
Education	1.511	0.166	0.001

Dependent variable: Financial Management, R^2 = 0.130, Adjusted R^2 = 0.119, F = 11.870, Sig. = 0.000, $p < 0.05$

The influence of financial literacy, financial management practices, debt and demographic factors (gender, age and education) on financial well-being

Table 4 shows that the R^2 = 0.519 suggests that about 52 percent of variance in financial well-being is explained by financial literacy, financial management, debt and demographic factors (gender, age and education). The financial well-being of the working individuals is significantly influenced (F = 60.782, Sig. = 0.000, $p < 0.05$) by financial management, debt and age (each with Sig. = 0.000, $p < 0.05$) with beta scores of 0.479, 0.326 and 0.141 respectively. The significant variables support the research by: financial management (Nur Aina Nadiah Muhamad & Norlia Mat Norwani, 2019; Nurul Shahnaz Mahdzan et al., 2019; Rath et al., 2010); debt (Nur Aina Nadiah Muhamad & Norlia Mat Norwani, 2019; Nur Aisyatul Radiah Alidaniah et al, 2015; Zaimah Ramli et al., 2013) and; age (Nur Aina Nadiah Muhamad & Norlia Mat Norwani, 2019; Yiing Jia Loke, 2016; Zaimah Ramli et al., 2013). The positive direction of debt impact towards financial well-being is rather irregular. Nevertheless, debt can be incurred strategically resulting in positive effects, for example, through accumulation of income and productive resources (Tay et al., 2017). For instance, when debt is instrumental for achieving goals (i.e., obtaining a business loan) that can provide greater opportunities in the long run.

In comparison with hypothesis 1, similar observations are evident whereby both financial literacy and gender do not significantly influence financial management and financial well-being. Although financial literacy appear to be significant in many research, Cole and Shastry (2009) found little effect of financial education on

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financial decisions. Sam et al. (2012) and Nurul Shahnaz Mahdzan et al. (2019), on the other hand, showed negative relationships between financial literacy and financial well-being. Research by Nurul Shahnaz Mahdzan et al. (2019) also concluded that among low income household, financial knowledge had no significant relationship with financial well-being. Education which significantly influences financial management does not contribute in explaining financial well-being. The inclusion of financial management and debt in determining financial well-being have eliminated the impact of education. Research by Loke et al. (2013) showed that those without a tertiary education (diploma, secondary and primary) are less likely to encounter problems to meet living costs.

Table 4: Multiple Regression Analysis of Financial Literacy, Debt, Financial Management Practices and Demographics Factors on Financial Well-Being

	Unstandardized Coef (B)	**Standardized Coef (Beta)**	**Sig.**
Constant	15.261		0.002
Financial Literacy	-0.273	-0.056	0.118
Financial Management	0.220	0.326	0.000
Debt	0.522	0.479	0.000
Gender	0.460	0.046	0.213
Age	1.024	0.141	0.000
Education	-0.036	-0.006	0.878

Dependent variable: Financial Well-being, $R^2 = 0.519$, Adjusted $R^2 = 0.510$, $F = 60.782$, Sig. = 0.000, $p < 0.05$

VI. CONCLUSION

This research concludes that financial management, debt, and age are the three important aspects that explain financial well-being of working individuals in four states in Malaysia. As supported by literature, good financial management is essential for working individuals in making sound decisions and planning for their daily activities and the future. Although financial literacy has been reported as an influencing factor towards financial management and financial well-being in many research, no statistical significance is found based on the sample in this study. A higher number of sample covering more areas may have changed the findings. On the other hand, this may be an indicator of the need for a more practical and comprehensible financial literacy training for workers or specific modules can be designed at secondary or tertiary levels to ensure everyone have adequate financial knowledge before they can handle their own financial matters. Consequently, these findings can be the basis for policy makers in introducing a comprehensive financial education planning through government and non-governmental organizations in helping workers to achieve desired financial well-being.

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VII. FUTURE RESEARCH

Similar research can be focused on broader aspects such as financial literacy being broken down into various aspects such as level of knowledge of respondents in relation to stock, investment and insurance. Debt could be detailed in relation to the amount and type of debts involved. Financial management can also be focused on individual attitudes towards their financial level. With regards to financial well-being, satisfaction on the current financial level can be investigated. Future researches may consider other demographic factors such as comparison by states, employment sector, career level, monthly income, types of debts and so on to gather more in-depth information. The sample of this research only consists of four states which are Perak, Kedah, Federal Territory of Putrajaya and Federal Territory of Kuala Lumpur which were determined based on the highest and lowest average of monthly salaries and wages. Perhaps future research may include all levels of salaries and wages of all working individuals and not just focusing on selected states.

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