UNIVERSITI TEKNOLOGI MARA

FACTORS THAT LEAD TO FINANCIAL DISTRESS OF MILLENNIALS IN MALAYSIA

NURDINI IZZATI BINTI SHAMSUDDIN
2015102089

Final Year Project Paper submitted in fulfillment of the requirements for the degree of Bachelor of Business Administration (Islamic Banking)

Faculty of Business and Management

June 2018
AUTHOR'S DECLARATION

I declare that the work in this final year project paper was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Undergraduate, Universiti Teknologi MARA, regulating the conduct of my study and research.

Name of Student : Nurdi Izzati Binti Shamsuddin
Student I.D. No. : 2015102089
Programme : Bachelor of Business and Administration (Hons) Islamic Banking.
Faculty : Business and Management

Signature of Student : ...........................................
Date : June 2018
ABSTRACT

In this research study will be focus on to understand the factors that lead to financial distress of the millennial in Malaysia. Millennial is the generation of Y that born in 1980s until 1990s. Financial distress happens when the person has a financial problem. Nowadays a lot of young generations that have been declare as bankruptcy around their age. The Star said in January until September 2017 that the number of Malaysians under age 30 years old declared bankrupt from to credit card debts declined to nine individuals compared to 22 last year. This study was focused in internal factor such as saving habits, saving behavior, and financial management that have effect to external factors of financial distress. The objective in this research that to determine of spending behavior, saving habits, and financial management that give an impact to millennial in Malaysia. In this study will use the research method to prove the reliability test using the demographic of respondent and descriptive statistic, correlation analysis, correlation coefficient and multiple regression analysis. The findings that have found spending behavior and saving habits have a significance relationship toward financial distress while the financial management has no significance relationship toward financial distress. This recommendation for future research to find the external factors that lead to financial distress and study another group of population. Another recommendation to study the awareness for overcomes the financial distress with seminar, advertisement and social media or speech to gain more knowledge.
ACKNOWLEDGEMENT

Firstly, all praises to almighty Allah, the most merciful and the most benevolent for giving me the opportunities in completing this research paper. It would be impossible for me to spent time to complete this study without the grace and help of ALLAH S.W.T.

I would like to dedicate this research to Madam Zuraidah binti Sipon for advise me and coordinate me in details on how to complete my research proposal starting from the first until the end of the research.

I am greatly indebted to Madam Rabiatul Alawiyah Zainal Abidin whose excellence in supervision and plays a big role in inspired my work. Without her untiring encouragement, suggestions, ideas and comments throughout this study, this research could not be completed.

I also would like to convey my deepest gratitude and indebted to Miss Husniyah Binti Mohd Rashid and Madam Siti Rohaizah Binti Rodzi whose excellence in supervision and plays a big role in inspired my work for her co-operation and help throughout the duration of this research.

I dedicate this research to my beloved parents and for their endless support and understanding and also to the rest of my families for their help and encouragement. Beyond a simple thank you, I want them to know that I really appreciate what they had done to me.

I wish to express my deepest gratitude to all my friends, who shared their valuable experience, time and commitment. Without their patience, this study cannot be complete.

Finally, this thesis is dedicated to the loving memory of my very dear father and my late mother for the vision and determination to educate me. This piece of victory is dedicated to both of you. Alhamdulillah.

Thank you.
TABLE OF CONTENTS

AUTHOR'S DECLARATION ii
ABSTRACT iii
ACKNOWLEDGEMENT iv
LIST OF TABLES vii
LIST OF FIGURES viii
LIST OF SYMBOLS ix
LIST OF ABBREVIATIONS x

CHAPTER ONE INTRODUCTION 1
1.1 Introduction 1
1.2 Research Background 1
1.3 Problem Statement 4
1.4 Research Questions 6
1.5 Research Objectives 6
1.6 Scope of the Study 6
1.7 Significance of Study 7
1.8 Limitation of the Study 7
1.9 Definition of Key Terms 8
1.10 Summary 9

CHAPTER TWO LITERATURE REVIEW 10
2.1 Introduction 10
2.2 Spending Behavior 11
2.3 Saving Habits 12
2.4 Financial Management 14
2.5 Research Framework 15
2.6 Summary 16