

UNIVERSITI TEKNOLOGI MARA

**ANTECEDENTS OF FINANCIAL
WELL-BEING AMONG
YOUNG WORKING ADULTS:
SELF-CONTROL AS MEDIATING
ROLE**

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ABSTRACT

Financial well-being is one of the elements of well-being, which explains individuals' ability to control their financial matters in their current and future lives without being concerned about their financial situation. Improving the quality of life is important. Therefore, this study aims to analyse the antecedents influencing financial well-being among young working adults. Four variables were tested in this study, namely financial attitude, financial knowledge, financial capability, and parental factor. This study also assessed the mediating effect of self-control on the relationships between financial attitude, financial knowledge, financial capability, and parental factors for financial well-being among young working adults. Furthermore, the theory of family financial socialisation and the strength model of self-control were utilised. The sample for this study consisted of 496 young working adults aged between 18-40 years old, while purposive sampling technique was employed for the participation in the survey among working people in all states in Peninsular Malaysia. A set of questionnaires was distributed through online and physical survey forms to targeted respondents. This was followed by an analysis of the research model using partial least square-structural equation modelling, while Smart PLS 3.0 was used to validate the research model and the proposed hypotheses of the study. As a result, the research findings proved that financial knowledge, financial capability, and self-control support positively influenced the financial well-being among young working adults, although these factors did not have the same influence on financial attitude and parental factors. Based on the mediation analysis, it was found that self-control positively mediated the relationship between financial capability and financial well-being, while self-control had no mediation effect on financial attitude, financial knowledge, and parental factor towards financial well-being. This research has contributed to the literature, particularly in terms of financial well-being among young working adults and the strength of self-control in predicting financial well-being by utilising self-control as a mediator. Self-control has been proven to partially mediate the relationship between financial capability and financial well-being. This study could be utilised as a guide to the related government agencies, such as the Ministry of Education, in the development of financial education programmes at an early age. Given its aim towards better management of financial matters, this study could assist the individuals in understanding the importance of financial well-being, managing financial problems, and sustaining the quality of life.

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CHAPTER ONE

INTRODUCTION

1.1 Introduction

This chapter presents a brief insight into this study, which focused on the factors that could influence the financial well-being and quality of life among Malaysian young working adults, including the ways in which these antecedents were assimilated in one model. Section 1.2 presents a general explanation about financial well-being, while Section 1.3 discusses the problem statement. Section 1.4 illustrates the research objectives, followed by Section 1.5 that demonstrates the research questions. Section 1.6 discusses the significance of the study, while Section 1.7 presents the scope of study. The definitions of terms are presented in Section 1.8. This chapter ends with a discussion regarding the structure of the thesis in Section 1.9.

1.2 Background of the Study

The impact of financial crisis from the past few years has resulted in decreased job opportunities, with the increase in living costs impacting all income and age groups. As a result, financial well-being has emerged as a part of individuals' life skills. Furthermore, Hsiao, Lin, and Dambaravdan (2016) demonstrated that individuals' financial well-being is a prerequisite of nation social stability. In achieving sustainable standard of living, a precise understanding of financial well-being could contribute to effective economic policy. Dissatisfaction about financial well-being would cause burden on individuals and bring an indirect impact on the health of the economic and financial system of the country. Kaur, Mittal, and Agarwal (2013) highlighted the negative effects on the nation, given that financial difficulties could have a negative impact on people's productivity, physical health, economic growth, and psychological health. Additionally, Barbic Palic and Bahavec (2016) stated that people who live in poverty would become more reliant on government aid programmes.

The latest outbreak of Coronavirus disease (COVID-19) leads to a new global financial crisis. This virus was first discovered in Wuhan. COVID-19 is a new type of