



**FACTORS INFLUENCE INDIVIDUAL SAVING AMONG
GENERATION Y**

**A CASE STUDY IN WILAYAH PERSEKUTUAN KUALA
LUMPUR**

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ABSTRACT

One of the avenues to boost national saving is by encouraging individuals to increase personal saving. The purpose for this study is to identify the factors that influence individual saving. The factors, in particular, financial literacy, social influence, saving behavior and risk-taking behavior have been tested in this study. Saving will not only benefit an individual, but also the entire nation as it provides the base for long-term investments. For a positive saver can contribute towards economic growth. As we know, our country itself is facing a deficit in which the expenditures are more than income. Therefore, saving can act as a hedge for a nation against economic downturns and financial crisis. In addition to this, financial literacy, saving behavior, social influence, and risk-taking behavior also play important roles in individual saving. Although financial literacy is frequently discussed in the national arena, and also been related with saving, there is no clear definition of financial literacy in which this ambiguity has led to multiple definitions. According to Mason, et. al (2000), financial literacy can be best defined as “an individual’s ability to obtain, understand and evaluate the relevant information necessary to make decisions with an awareness of the likely financial consequences”. Therefore, by implementing more financial educational programmes, thus, it can help to boost individual’s financial literacy and enable them to make financial plans for the future, and choose the most appropriate financial instrument that will help them to achieve their financial goals.

Table of Contents

DECLARATION OF ORIGINAL WORK..... iii

ACKNOWLEDGEMENTS..... v

ABSTRACT..... vi

LIST OF TABLES AND FIGURES..... x

CHAPTER 1 1

INTRODUCTION 1

 1.0 INTRODUCTION 1

 1.1 BACKGROUND OF STUDY 1

 1.2 PROBLEM STATEMENT 3

 1.3 RESEARCH OBJECTIVES 5

 1.3.1 GENERAL RESEARCH OBJECTIVE..... 5

 1.3.2 SPECIFIC OBJECTIVES 5

 1.4 RESEARCH QUESTION..... 6

 1.4.1 GENERAL RESEARCH QUESTION 6

 1.4.2 SPECIFIC RESEARCH QUESTION..... 6

 1.5 SIGNIFICANT OF STUDY 7

 1.6 SCOPE OF THE STUDY 8

 1.7 LIMITATION OF THE STUDY 8

 1.8 SUMMARY 8

CHAPTER 2 9

LITERATURE REVIEW 9

 2.1 INTRODUCTION 9

 2.2 LITERATURE REVIEW ON INDIVIDUAL SAVING 9

 2.3 LITERATURE REVIEW ON FINANCIAL LITERACY 11

 2.4 LITERATURE REVIEW ON SOCIAL INFLUENCE 13

 2.5 LITERATURE REVIEW ON SAVING BEHAVIOR 15

 2.6 LITERATURE REVIEW ON RISK-TAKING BEHAVIOR 16

 2.7 SUMMARY 17

CHAPTER 3 18

RESEARCH METHODOLOGY..... 18

 3.0 INTRODUCTION 18

 3.1 DATA COLLECTION METHOD 18

CHAPTER 1

INTRODUCTION

1.0 INTRODUCTION

For this section, will discuss the background of the study, problem statement, research questions, research objectives and significant of the study. In addition to this, this section will be discussed research questions regarding the question that related to the theoretical framework. There will be general research question which is related to dependent variable and specific research question that will support the main research question in this study. Also, there will be general and specific objectives to be studied in this study.

1.1 BACKGROUND OF STUDY

This study focused on what are the factors that influence Individual Saving among Generation Y in Kuala Lumpur. As in today rapid growth, everything in the world is at our fingertips. The advanced of technology make us be more cozy and lazy. We can easily have the lifestyle beyond our dream. This is because, we have been equipped with impressive paper qualifications and armed with a competitive edge that make all thing become fast and flashy.

However, many of us especially the "Generation Y" also known as millennia's are trying to stay financially afloat even before buying first car or dream home, tying the knot or starting a family. Generation Y are those who was born between 1977 to 200, Benckendorff, et al. (2010). There are many studies from the past research that revealed Malaysian people experienced significant financial stress early in their lives, with many living beyond their means and trapped in emotional spending, Vijaindren (2015).