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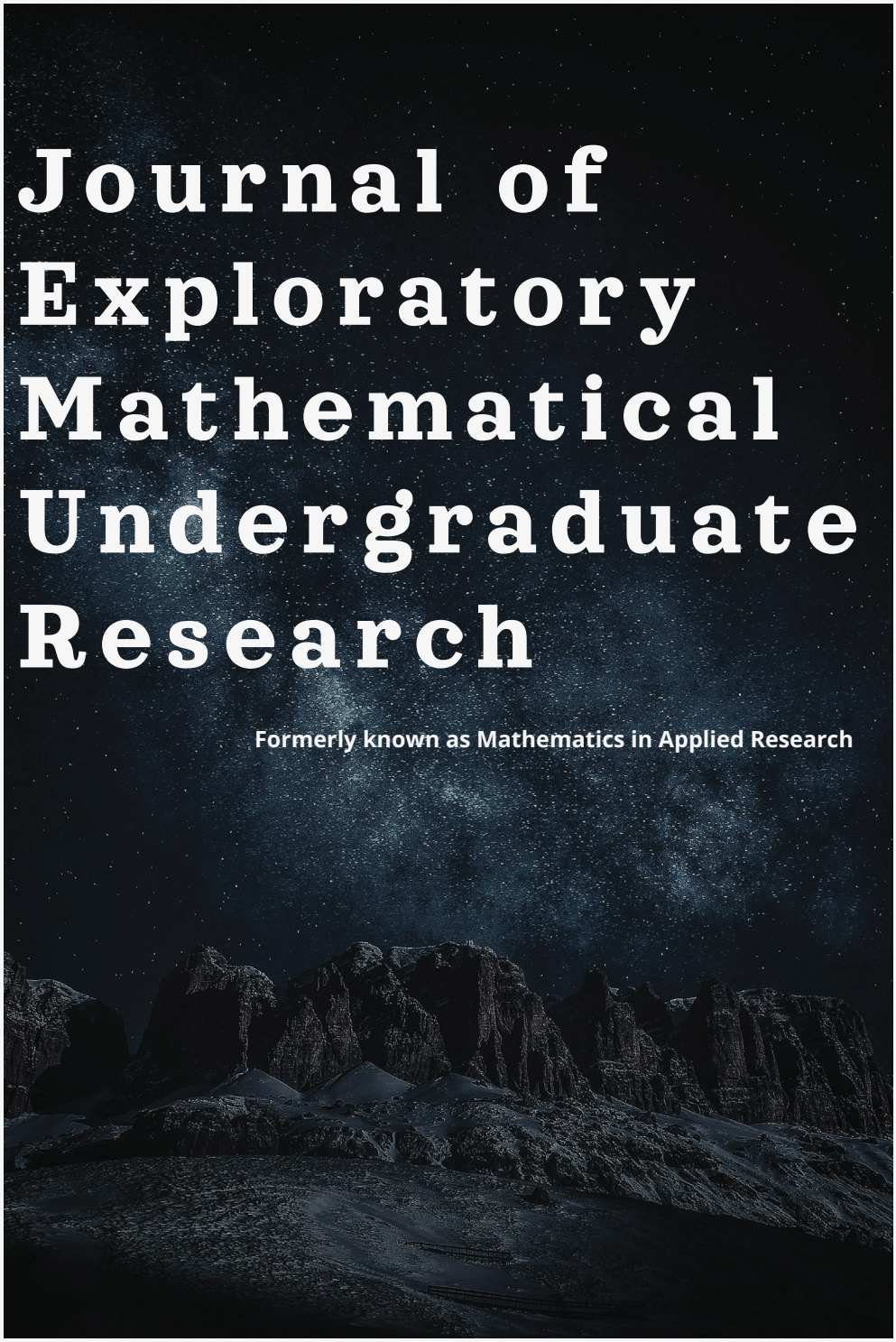

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EDISI MEI 2024

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AWARENESS OF FINANCIAL SATISFACTION AMONG UITM SEREMBAN CAMPUS STUDENTS

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Abstract

Students' awareness of their financial problems is vital in modern society for them to fully realize the importance of it, yet a challenge facing university students is their immaturity in money management, knowledge, and attitudes. A lack of knowledge about personal finance and inadequate financial management techniques created a serious risk to the financial future and well-being of students. The objectives of this study are to investigate a significant relationship and significance of coefficient variables between financial knowledge, financial attitude, and financial management toward awareness of financial satisfaction among UiTM Seremban Campus students. Spearman's Correlation of Coefficients and the Wald Statistics test were used in this study. This study found that all three independent variables which are financial knowledge, financial attitude, and financial management have a weak positive correlation toward awareness of financial satisfaction. The variable financial knowledge and financial management were significant to the awareness of financial satisfaction. The result of this study could help develop a curriculum for higher education students to encourage effective money management.

Keywords: financial problems, student awareness, financial satisfaction

1. Introduction

Financial satisfaction is described as contentment and security when one's financial demands and goals are accomplished, rather than simply monetary accumulation. The satisfaction was linked to the ability to plan, successfully manage risks, and reach the desired level of living (Rahman et al., 2021). Financial satisfaction was a major goal for many people, influencing their well-being and laying the groundwork for prosperity and peace of mind. An individual's financial satisfaction is greatly influenced by their attitude, management, and financial expertise. Understanding one's current financial situation as well as the different factors influencing one's financial contentment and well-being are both aspects of being financially aware. In this context, awareness encompassed a comprehensive of one's financial circumstances in addition to the numerical components of financial management. Moreover, a greater knowledge of the relationship between financial actions and general well-being was associated with financial satisfaction awareness. It deals with a person's comprehension of how their financial decisions may affect their level of enjoyment both now and in the future. Being aware was the first step towards making well-informed decisions, which led people to take actions that supported the financial objectives and, ultimately, their pleasure.

The transition into early adulthood frequently requires people to relocate away from their families or homes to pursue higher education or acquire new skills and occupations (Wood et al., 2017). According to Archuleta et al. (2013) and Higley (2019), there was a general increase in financial responsibility during this time. When they enrolled in college or university, many

young adults started handling their finances for the first time, and they frequently had to balance financial obligations in addition to scholastic duties. Many students also heavily relied on their families for financial support, often spending their monthly allowances without considering the importance of saving. This reliance on external sources of income without a sense of financial responsibility further worsened the problem. In addition, study loans such as Perbadanan Tabung Pendidikan Tinggi Nasional (PTPTN) are sometimes insufficient to meet students' financial needs because they only cover a fraction of tuition, leaving the remainder to be covered by the students themselves (Abdul Rahman, 2016).

Khalisharani et al. (2022) and Pham and Le (2023) discovered that students with more financial knowledge were more likely to engage in positive financial behaviors including budgeting, saving, and investing. The findings highlighted the significance of financial knowledge as a potential predictor of financial satisfaction among students. In the past, young people often faced challenges in university life because of their limited financial management capabilities. Lack of financial knowledge was a significant problem for college students, as they could be blinded if they had a lot of money. It became a problem for them to make financial decisions in the initial stages of life and led them to a devastating life for a long time if they were not careful with their decisions (Yahaya et al., 2019). Furthermore, the financial attitude was a principle that created and maintained value through decision-making and proper resource management (Adiputra & Patricia, 2019); (Winarta & Pamungkas, 2020); (Rajna et al., 2011). From the definition, financial attitude is the effects of experiences that a person gains through several ways of managing their finances, such as spending, saving, and wasting money. Financial attitude has a huge effect on a person on their financial management. Shim et al. (2009) revealed that students with positive financial attitudes, characterized by responsible financial behaviors and future-oriented thinking, were more likely to experience higher levels of financial satisfaction. Conversely, individuals with negative financial attitudes, such as excessive debt aversion or financial denial, tended to report lower levels of financial satisfaction.

In addition to financial knowledge and financial attitude, financial management skills also were vital for students to achieve awareness of financial satisfaction. Effective financial management encompasses various aspects, including budgeting, debt management, and investment strategies. Chuah et al. (2020) indicated that students who exhibited strong financial management skills reported higher levels of financial satisfaction. These findings highlighted the importance of acquiring and applying sound financial management practices to enhance student financial satisfaction. Financial management in that era linked with the fast Internet for information had a huge influence, especially in financial technology (Yee & JinYujia, 2022) and (Wan, 2021). With financial technology, students can now invest online and even track their daily spending through applications. However, even with the enhancements in technologies, there were still students who relied on their income through monthly allowance from their family and did not save some of it for emergency use. Because of this, they did not have consciousness since they thought their family would provide for them for a long time. Numerous factors, including demographics (income, education, ethnicity, and age), financial management, financial knowledge, and attitudes, might have influenced a student’s acceptance of financial satisfaction (Qisthi & Damayanti, 2022). Failure to plan and manage finances wisely in such an uncertain economic environment could have severe consequences for students. In summary, students were not well-informed about financial knowledge, financial attitude, and financial management, which could impact their financial satisfaction. Therefore, this study was conducted to investigate a significant relationship and significant coefficient variables between financial knowledge, financial

attitude, and financial management toward awareness of financial satisfaction among UiTM Seremban Campus students.

2. Methodology

This study applied convenience sampling to select 346 students among UiTM Seremban Campus students to answer the questionnaire. The questionnaire was divided into four sections: A, B, C and D. Section A contains the demographic information of the respondent. Next, Section B measured the variable "Financial Knowledge" with 5 items of questions. Section C measured "Financial Attitude" with 6 items of questions, Section D measured "Financial Management" with 8 items of questions, and Section E measured "Financial Satisfaction" with 4 items of questions. Questions for Sections B, C, D, and E were taken from a previous study conducted by Owusu (2021) and Rafien et al. (2022). All items were measured using a 5-point Likert Scale on a scale of 1 to 5, where 1 indicates strongly disagree to 5 is strongly agree.

Figure 1 shows that three factors were examined which are students' financial knowledge, attitude, and management that influenced students' awareness of financial satisfaction.

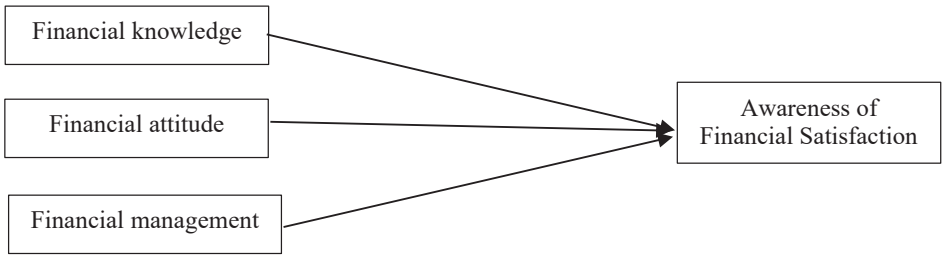

Figure 1: Theoretical framework

2.1. Reliability Test

Reliability testing is a test conducted to determine whether all questions in the questionnaire are reliable for this research. A total of 30 respondents from UiTM Seremban Campus students were collected to assess the reliability of the questions in our survey. The survey comprised 23 questions, with five related to financial knowledge, six to financial attitude, eight to financial management, and four to financial satisfaction.

Table 1: Rule of Thumb for Result

Cronbach's alpha	Internal Consistency
$\boldsymbol{\alpha \geq 0.90}$	Excellent
$0.9 > \boldsymbol{\alpha \geq 0.80}$	Good
$0.8 > \boldsymbol{\alpha \geq 0.7}$	Acceptable
$0.7 > \boldsymbol{\alpha \geq 0.6}$	Questionable
$0.6 > \boldsymbol{\alpha \geq 0.5}$	Poor
$\boldsymbol{0.5 > \alpha}$	Unacceptable

Cronbach's alpha was a statistical measure employed to assess the internal consistency reliability of a research instrument. By quantifying the internal consistency of a test or scale,

Cronbach's alpha reflected the degree of interrelatedness among the individual test items (Olaniyi, 2019). Table 1 is a rule of thumb for the reliability test.

2.2. Spearman's Correlation Coefficient Analysis

Spearman's rank correlation coefficient, a non-parametric statistical measure, determined a simple linear relationship between two variables and measured without dimensions (Abd Al-Hameeda, 2022). This coefficient was used to assess the strength and direction of monotonic associations between pairs of variables. This analytical approach proved particularly advantageous when exploring the awareness of financial satisfaction among UiTM Seremban campus students, given its capacity to discern monotonic patterns that may exist between financial knowledge, financial attitudes, and financial management variables. The equation for Spearman's rank correlation coefficient was expressed as (1).

$$\rho = 1 - \frac{6\sum d_i^2}{n(n^2-1)} \tag{1}$$

Where the ρ represents Spearman's rank correlation coefficient, Σd^2 is denoted by the differences in ranks between paired observations and n signifies the number of paired observations. This formula encapsulated the essence of Spearman's rank correlation, elucidating the calculation process that aided in quantifying the degree of monotonic association between the specified variables. The strength of the correlation is gauged by the magnitude of the ρ value, a larger absolute value indicating a stronger monotonic association. The direction of the correlation was conveyed by the sign of ρ, where positive ρimplied a positive monotonic relationship and negative suggested a negative monotonic relationship. Table 2 shows the types of correlation, the direction of the relationship and the diffusion models for each type.

Table 2: Types of correlation, direction and diffusion model* **(Source: Ali, 2022)**

Value of correlation coefficient	Meaning
+1	Completely positive relationship
0.7 – 0.99	Strong positive relationship
0.5 – 0.69	Average positive relationship
0.1 – 0.49	Weak positive relationship
0	Not positive relationship

*Random correlation applies to reverse correlation (with a negative sign)

2.3. Wald Statistics Test

The Wald Statistics Test was used to assess the significance of individual coefficients or factors within the model. The null hypothesis typically posited that a specific coefficient was equal to zero, indicating no effect of the corresponding independent variable on the log-odds of the dependent variable. Hypotheses for the Wald Statistics Test were:

$$H_0: \beta_{variable} = 0$$
$$H_a: \beta_{variable} \neq 0$$

The subsequent interpretation of the test results included the examination of the Wald Statistics and a corresponding p-value. A low p-value, below the significance level (0.05),

indicated that the factor was statistically significant, implying a meaningful impact on the outcome. Conversely, a high p-value indicated a lack of evidence to reject the hypothesis that the factor has no effect.

3. Result and Discussion

3.1. Reliability Test

Table 3 shows the value of Cronbach's Alpha for financial knowledge is 0.863 with 5 items, financial attitude is 0.826 with 6 items and financial satisfaction is 0.856 with 4 items which indicates that it is a good consistency. Meanwhile, Financial management is 0.900 with 8 number of items indicating excellent internal consistency. The results show that the reliability test for all variables is good. It means the questionnaires are valid and the test is reliable.

Table 3: Cronbach's Alpha Reliability Test

Reliability Test		
Variables	Number of Items	Cronbach's Alpha
Financial Knowledge	5	0.863
Financial Attitude	6	0.826
Financial Management	8	0.900
Financial Satisfaction	4	0.856

3.2. Spearman's Correlation of Coefficient

This analysis intended to show the relationship between two variables, while the magnitude of r specified the strength of the relationship. A strong negative correlation value is shown as one variable increases, the other variable will decrease meanwhile a strong positive correlation value shows that an increase in one variable is associated with an increase in the other variables. Table 4 shows the correlation of the coefficient relationship between financial knowledge, financial attitude, and financial management toward awareness of financial satisfaction. The value of correlation is 0.244 for financial knowledge, 0.136 for financial attitude, and 0.308 for financial management. Based on Ali (2022), the values in Table 4 indicate that all the variables have a weak positive correlation toward awareness of financial satisfaction.

Table 4: Spearman's Correlation of Coefficient

Section	Value
Financial Knowledge	0.244
Financial Attitude	0.136
Financial Management	0.308

3.3. Wald Statistics Test

Table 5 shows that financial knowledge and financial management are significant because their significant values are lower than alpha 0.05 meanwhile financial attitude is not significant due to its significant value being higher than alpha 0.05. Therefore, only financial knowledge and financial management influence awareness of financial satisfaction among UiTM Seremban 3 students.

Table 5: Wald Statistics Test

Variables	Significant value
Financial Knowledge	0.006
Financial Attitude	0.357
Financial Management	0.001

The result shows that financial knowledge has a significant influence on the awareness of financial satisfaction is consistent with the study by Khalisharani et al. (2022) and Pham and Le (2023) which found that financial knowledge is a potential predictor of financial satisfaction among students. Besides that, financial management also has a significant influence on the awareness of financial satisfaction is consistent with the study by Chuah et al. (2020) which found that students who exhibited strong financial management skills reported higher levels of financial satisfaction.

4. Conclusion

Having an awareness of financial satisfaction is an important thing for students getting ready to face adult life and making sure they are financially free from any stress or not having enough money to live daily life without any worry. This study investigated a significant relationship and significance of the coefficient variables between financial knowledge, financial attitude, and financial management toward financial satisfaction. The findings showed that all three sections which are financial knowledge, financial attitude, and financial management have weak positive correlations toward awareness of financial satisfaction. In addition, the findings show that financial knowledge and financial management both are significant to the awareness of financial satisfaction because their significant values are lower than the alpha value of 0.05.

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