

The copyright © of this thesis belongs to its rightful author and/or other copyright owner. Copies can be accessed and downloaded for non-commercial or learning purposes without any charge and permission. The thesis cannot be reproduced or quoted as a whole without the permission from its rightful owner. No alteration or changes in format is allowed without permission from its rightful owner.



**FAMILY FINANCIAL MANAGEMENT IN HOUSEHOLD CONSUMPTION  
AMONG MUSLIMS IN JOHOR**

**MOHAMED ABU BAKER BIN M MOHAIDEEN**



**MASTER OF ISLAMIC FINANCE AND BANKING**

**UNIVERSITI UTARA MALAYSIA**

**2024**

**FAMILY FINANCIAL MANAGEMENT IN HOUSEHOLD CONSUMPTION  
AMONG MUSLIMS IN JOHOR**



**Thesis Submitted to  
College of Business  
Universiti Utara Malaysia  
In Fulfilment of the Requirement for the Master of Islamic Finance and  
Banking**



**Pusat Pengajian Perniagaan Islam**  
ISLAMIC BUSINESS SCHOOL  
كلية إدارة الأعمال الإسلامية  
Universiti Utara Malaysia

**PERAKUAN KERJA KERTAS PENYELIDIKAN**  
(*Certification of Research Paper*)

Saya, mengaku bertandatangan, memperakukan bahawa  
(*I, the undersigned, certified that*)

**MOHAMED ABU BAKER BIN M MOHAIDEEN**

Matrik No: **826912**

Calon untuk Ijazah Sarjana  
(*Candidate for the degree of*)

**MASTER IN ISLAMIC FINANCE AND BANKING (MIFB)**

telah mengemukakan kertas penyelidikan yang bertajuk  
(*has presented his/her research paper of the following title*)

**FAMILY FINANCIAL MANAGEMENT IN HOUSEHOLD CONSUMPTION AMONG MUSLIMS IN  
JOHOR**

Seperti yang tercatat di muka surat tajuk dan kulit kertas penyelidikan  
(*as it appears on the title page and front cover of the research paper*)

Bahawa kertas penyelidikan tersebut boleh diterima dari segi bentuk serta kandungan dan meliputi bidang ilmu dengan memuaskan.

(*that the research paper acceptable in the form and content and that a satisfactory knowledge of the field is covered by the research paper*).

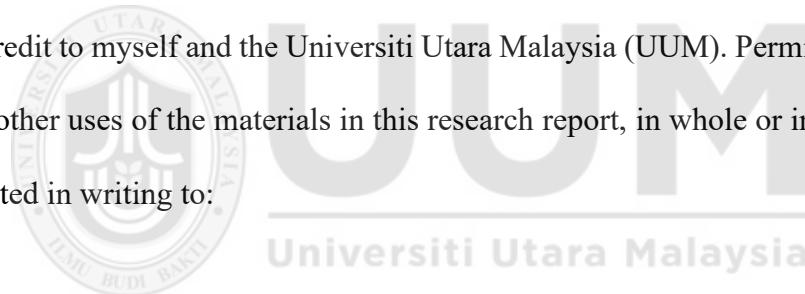
Nama Penyelia : **DR. MUHAMAD ABRAR BIN BAHAMAN**  
(*Name of Supervisor*)

Tandatangan  
(*Signature*)

Tarikh : **6 APRIL 2025**  
(*Date*)

## **PERMISSION TO USE**

I accept that by providing this research paper in partial completion of the criteria for a Post Graduate degree from University Utara Malaysia (UUM), I provide permission for it to be freely inspected by the library of this university. I further agree that permission to copy my research paper in any form, in whole or in part, for scholarly purposes may be granted by my supervisor or, in the absence, by the Dean of Othman Yeop Abdullah Graduate School of Business, where my research work was completed. It is understood that without my express permission, no copying, publication, or use of any element of this research work for financial advantage is permitted. It is also recognized that any scholarly usage of any information in my research report must give credit to myself and the Universiti Utara Malaysia (UUM). Permission to copy or make other uses of the materials in this research report, in whole or in part, should be requested in writing to:



Dean of Othman Yeop Abdullah

Graduate School of Business

University Utara Malaysia

06010 UUM Sintok

Kedah Darul Aman

## ABSTRACT

This study aims to evaluate family financial management in preventing unnecessary consumption among Muslim households. Poor financial planning, low financial literacy, and rising household debt are growing issues in Malaysia, especially among young Muslim families. Using a quantitative approach, primary data were collected through questionnaires distributed in Masai, Permas Jaya, and Pasir Gudang. The data were analyzed using SPSS version 29. Findings highlight five significant factors: household income, occupation, family background, financial literacy, and education level. The study supports the application of Islamic financial principles to guide responsible spending, avoid excessive debt, and promote effective household financial management in line with Islamic values.

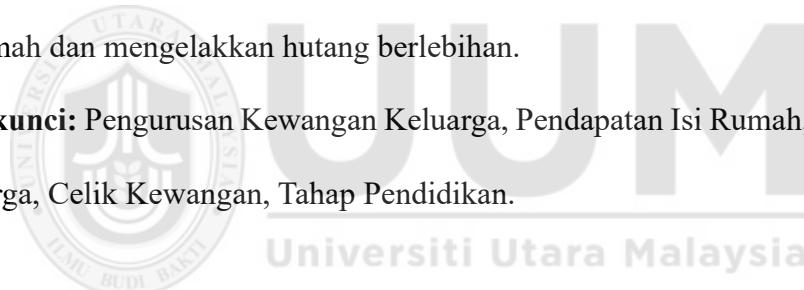
**Keywords:** Family Financial Management, Household Income, Family Background, Financial Literacy, Education Level.

**Keywords:** Family Financial Management, Household Income, Family Background, Financial Literacy, Education Level.

## ABSTRAK

Kajian ini bertujuan menilai pengurusan kewangan keluarga dalam mencegah penggunaan tidak perlu dalam kalangan isi rumah Muslim. Perancangan kewangan yang lemah, celik kewangan yang rendah, dan hutang isi rumah yang meningkat menjadi isu utama di Malaysia, khususnya dalam kalangan keluarga Muslim muda. Pendekatan kuantitatif digunakan dengan pengumpulan data utama melalui soal selidik yang diedarkan di Masai, Permas Jaya dan Pasir Gudang. Data dianalisis menggunakan SPSS versi 29. Dapatan menunjukkan lima faktor utama: pendapatan isi rumah, pekerjaan, latar belakang keluarga, celik kewangan dan tahap pendidikan. Kajian ini menyokong prinsip kewangan Islam dalam menggalakkan perbelanjaan berhemah dan mengelakkan hutang berlebihan.

**Kata kunci:** Pengurusan Kewangan Keluarga, Pendapatan Isi Rumah, Latar Belakang Keluarga, Celik Kewangan, Tahap Pendidikan.



## ACKNOWLEDGEMENT

In the name of Allah, the Most Gracious, the Most Merciful. All praises and thanks are due to Allah the lord of the worlds for all His Bounties and blessings. May peace and blessings be unto the Holy Prophet Muhammad his Progeny, and his Companions.

First and foremost, I would like to express my gratitude to Allah Almighty for the blessings, and giving me the strength, ability and guidance that has enabled me to complete this thesis to fulfil the criteria for the Master of (Science) Islamic Finance and Banking at University Utara Malaysia (UUM).

I would like to express my sincere gratitude to my supervisor, Dr Muhamad Abrar bin Bahaman, who has always provided me with his continuous guidance, motivation, enthusiasm, and immense knowledge. His valuable comments, suggestions and advice have been instrumental guidance in finalizing this report. Secondly, I would like to thank all the lecturers who have guided me from the beginning of my Master studies till the end. I am very indebted to their patience and invaluable advice that inspired me to think positively to complete my research paper.

Special dedication to my dearest wife, Nuur Azeerah binti Baharruddin, and my child, Ayrin Zafra binti Mohamed Abu Baker for their courteous support and continuous prayers for my goodness as well as their unfailing in me and urged me to do better in my research. Special appreciation also goes to all my friends who never give up giving me support, information, and assistance to settle up this research paper. Thank you very much and for all and best of luck. A word of thanks to also extends to those who have indirectly provided comments and helpful suggestions especially to all respondents of this study and any other individual whom I have not recognized by name but who gave their support and cooperation.

Finally, may Allah bless and reward all of us who had make this work a success and may it be accepted as our Act of Obedience to Him.



## TABLE OF CONTENTS

<b>ABSTRACT</b> .....	iii
<b>ABSTRAK</b> .....	iv
<b>ACKNOWLEDGEMENT</b> .....	v
<b>TABLE OF CONTENTS</b> .....	vii
<b>LIST OF TABLES</b> .....	ix
<b>LIST OF FIGURES</b> .....	x
<b>LIST OF ABBREVIATIONS</b> .....	xi
<b>CHAPTER ONE</b> .....	12
<b>INTRODUCTION</b> .....	12
<b>1.1 Introduction</b> .....	12
<b>1.2 Background of Study</b> .....	13
<b>1.3 Problem Statement</b> .....	14
<b>1.4 Research Question</b> .....	16
<b>1.5 Research Objective</b> .....	16
<b>1.6 Scope of the Study</b> .....	16
<b>1.7 Significance of the Study</b> .....	17
<b>1.8 Limitations of the Study</b> .....	17
<b>1.9 Key Definition of Terms</b> .....	18
<b>1.10 Organisation of the Study</b> .....	19
<b>CHAPTER TWO</b> .....	21
<b>LITERATURE REVIEW</b> .....	21
<b>2.1 Introduction</b> .....	21
<b>2.2 Conceptual Framework</b> .....	21
<b>2.3 Household Consumption</b> .....	22
<b>2.4 Household Income</b> .....	24
<b>2.5 Religiosity</b> .....	27
<b>2.6 Family Background</b> .....	28
<b>CHAPTER THREE</b> .....	36
<b>RESEARCH METHODOLOGY</b> .....	36
<b>3.1 Introduction</b> .....	36
<b>3.2 Research Design</b> .....	37
<b>3.3 Quantitative Research</b> .....	38

<b>3.3.1 Data and Sources.....</b>	<b>38</b>
<b>3.3.2 Primary Data .....</b>	<b>39</b>
<b>3.3.3 Research Instrument.....</b>	<b>39</b>
<b>3.3.4 Data Analysis and Interpretation .....</b>	<b>40</b>
<b>3.4 Multiple Regression Analysis.....</b>	<b>40</b>
<b>3.5 Summary.....</b>	<b>41</b>
<b>CHAPTER 4.....</b>	<b>43</b>
<b>FINDINGS AND ANALYSIS .....</b>	<b>43</b>
<b>DISCUSSION AND CONCLUSION .....</b>	<b>57</b>
<b>5.1 Introduction.....</b>	<b>57</b>
<b>APPENDICES .....</b>	<b>68</b>
<b>Appendix A: Questionnaires .....</b>	<b>68</b>



## LIST OF TABLES

	<b>Page</b>
Table 4.1: Demographic Profile	46
Table 4.2: Interpretation of Level According to Mean Value	48
Table 4.3: Descriptive Statistics for Religiosity	49
Table 4.4: Descriptive Statistics for Family Background	50
Table 4.5: Descriptive Statistics for Financial Literacy	51
Table 4.6: Durbin-Watson Statistics	55
Table 4.7: Regression Analysis Result	56
Table 4.8: Summarized Findings according to Research Questions	57



## LIST OF FIGURES

	<b>Page</b>
Figure 2.1: Theoretical Model on Household Consumption	23
Figure 2.2: Household Gross Income by State (2022)	25
Figure 2.3: Household Income Malaysia (2022)	26
Figure 2.4: Percentage of Household Income by Class Malaysia 2022	27
Figure 4.1: Histogram of Residuals	53
Figure 4.2: Scatterplot Standardized Residuals versus Predicted Values	54



## LIST OF ABBREVIATIONS

SAC	Shariah Advisory Council
US	United States
BNM	Bank Negara Malaysia
OFE	Office of Financial Education
AKPK	Agensi Kaunseling Pengurusan Kredit
MEM	Ministry of Education Malaysia
GDP	Gross Domestic Product
AIF	Asian Institute of Finance
CCRC	Consumer Resource and Research Centre
IFWM	Islamic Family Wealth Management
HES	Household Expenditure Survey
DOSM	Department of Statistics Malaysia
PGK	Poverty Income Line
EPF	Employee Provident Fund
SPSS	Statistical Package for the Social Sciences
CFA	Confirmatory Factor Analysis
MLE	Maximum Likelihood Estimation
GLC	Government Linked Company

## CHAPTER ONE

### INTRODUCTION

#### 1.1 Introduction

(Lusardi, 2019) identifies poor financial behavior as a key factor behind financial difficulties, with many individuals struggling to manage their finances efficiently. This issue has led to financial distress among employees, particularly in the U.S. (Mitchell and Lusardi, 2015). To address this, (Arsyianti and Kassim, 2018) emphasize the need for national financial inclusion programs to improve financial literacy.

In Malaysia, Bank Negara Malaysia (BNM) established Agensi Kaunseling Pengurusan Kredit (AKPK) in 2006 to provide free financial counseling and debt management services. The Ministry of Education Malaysia (MEM) also integrated financial education into the school curriculum, and BNM organizes financial awareness programs nationwide (Murugiah, 2016).

Despite these efforts, household debt in Malaysia remains a concern, with the highest private household debt among 14 Asian nations (Othman, Rahim, and Sabri, 2015). Unplanned spending is a major factor, as 40% of Malaysians under 35 struggle with debt due to reckless spending (Asian Institute of Finance, 2015). Additionally, 30% of employees' income is spent on debt repayments, and 15% have no savings (Consumer Resource and Research Centre, 2012). Consequently, over 94,000 Malaysians were declared bankrupt between 2013 and 2017 (Malaysia Department of Insolvency, 2017).

## Reference

Agarwal, S., Amromin, G., Ben-David, I., Chomsisengphet, S., & Evanoff, D. D. (2015). Financial literacy and financial planning: Evidence from India. *Journal of Housing Economics*, 4–21.

Agresti, A. (2012). Categorical data analysis (3rd ed.). John Wiley & Sons, Incorporated.

Alam, S. S., Janor, H., Zanariah, C. W., & Ahsan, M. N. (2012). Is religiosity an important factor in influencing the intention to undertake Islamic home financing in Klang Valley? *World Applied Sciences Journal*, 19(7), 1030–1041.

Alam, S. S., Janor, H., Zanariah, C. W., & Ahsan, M. N. (2012). Is religiosity an important factor in influencing the intention to undertake Islamic home financing in Klang Valley? *World Applied Sciences Journal*, 19(7), 1030–1041.

Al-Tamimi, H. A., & Kalli, A. A. B. (2009). Financial literacy and investment decisions of UAE investors. *The Journal of Risk Finance*, 500–506.

Amin, H. (2007). Borneo Islamic automobile financing: Do demographics matter?

Arli, D., Cherrier, H., & Tjiptono, F. (2016). The influence of religiosity on materialism and consumer ethics. *Journal of Islamic Marketing*, 8(1), 74-94.

Bordoloi, D., Singh, R., Bhattacharjee, J., & Bezborad, P. (2020). Assessing the awareness of Islamic law on equity investment in the state of Assam, India. *Journal of Islamic Finance*, 1.

Fahim Khan, M. (2013). Philanthropy and household budgeting in Islamic finance. *Islamic Economic Studies*, 21(1), 75-92.

George, D., & Mallory, P. (2010). SPSS for Windows Step by Step: A Simple Guide and Reference 17.0 Update (10th ed.). Pearson.

Hamid, A., & Nordin, N. (2001). A study on Islamic banking education and strategy for the new millennium: Malaysian experience. *International Journal of Islamic Financial Services*, 3–11.

Hasan, Z. (2005). Treatment of consumption in Islamic economics: An appraisal. *Journal of King Abdulaziz University: Islamic Economics*, 18(2), 29-46.

Hsiao, Y., & Tsai, W. (2017). Financial literacy and participation in the derivatives markets. *Journal of Banking and Finance*, 15–29.

Islam, J. U., & Rahman, Z. (2017). Awareness and willingness towards Islamic banking among Muslims: An Indian perspective. *International Journal of Islamic and Middle Eastern Finance and Management*, 92–1.

Jafari, A., & Suerdem, A. (2012). An analysis of material consumption culture in the Muslim world. *Marketing Theory*, 12(1), 59-77.

Jamal, A., Peattie, K., & Peattie, S. (2015). Financial socialization and saving habits among university students. *Journal of Consumer Studies*, 21(2), 144-159.

Jamaludin, N. (2013). Religion and individual investment choice decision: The case of Malaysia. *International Journal of Business and Social Science*, 4(1), 104–113.

Jameel, S. A. (2017). Customer's awareness towards the Islamic banking system: Case study on selected banking in Duhok City—Kurdistan Region. *Humanities Journal of University of Zakho*, 230–238.

Johnson, B. R., Jang, S. J., Larson, D. B., & Li, S. D. (2001). Does adolescent religious commitment matter? A reexamination of the effects of religiosity on delinquency. *Journal of Research in Crime and Delinquency*, 22–24.

Kagotho, N., Nabunya, P., & Ssewamala, F. M. (2017). The impact of parental financial behavior on children's financial attitudes. *Family & Consumer Sciences Research Journal*, 46(1), 24-38.

Kamel, M. N., Subramaniam, M., Ali, E. H., Musah, B. M., Acheampong, A. (2018). Factors influencing the selection of unit trust funds among Malaysian retail investors. *Journal of Islamic Accounting and Business Research*, 9(2), 157.

Kotler, P. (2000). Consumer markets and consumer behavior, *Principles of marketing*.

Lusardi, A., & Mitchell, O. S. (2013). The economic importance of financial literacy: Theory and evidence. *Journal of Economic Literature*, 52(1), 5–44.

Mădălin-Ioan, S., & Mircea, P. (2017). Household income and consumption patterns: An application of Engel's Law. *Economic Studies Journal*, 29(3), 85-99.

Mayawi, M., Nurhayati, N., Talib, T., Bustan, A., & Laamena, N. (2023). Ordinal logistic regression analysis of factors affecting blood sugar levels in diabetes mellitus patients. *Pattimura International Journal of Mathematics (PIJMath)*, 2, 33-42.

Miller, M., Godfrey, N., Levesque, B., & Stark, E. (2009). The case for financial literacy in developing countries: Promoting access to finance by empowering consumers. *Educational Research and Reviews*, 5(5), 205–212.

Mokhlis, S. (2009). Relevancy and measurement of religiosity in consumer behavior research. *International Business Research*, 2(3), 75–84.

Murad, M., Gill, S. A., & Ali, A. F. (2016). From adoption of products and services regarding Islamic banking to customer awareness in Pakistan. *International Journal of Management and Organizational Studies*, 126–138.

Muttaqin, M. (2019). Islamic consumer behavior: A study on household consumption. *Journal of Islamic Economics and Finance*, 6(2), 45-63.

Najib, H. N., Hamid, R. I., Nasarudin, N. S., & Saiti, B. (2014). The comparison of Shariah screening methodology for stocks between Malaysia Securities Commission criteria and Dow Jones method: A critical assessment. 1–12.

Nick Jain. (2023). *Research methodology in social sciences: Quantitative techniques and analysis*. Academic Press

Noor, M. S. N., Ismail, G. A., & Shafaii, M. H. M. (2018). *Shariah risk: Its origin, definition, and application in Islamic finance*. SAGE Open.

OECD/International Network on Financial Education.

<https://doi.org/10.1787/5k9csfs90fr4-en>

Pallant, J. (2016). *SPSS survival manual: A step-by-step guide to data analysis using SPSS program* (6th ed.). McGraw-Hill Education.

Rahman, A. S., Tajudin, A., & Tajuddin, A. F. A. (2018). Determinant factors of Islamic financial literacy. *American Journal of Humanities and Social Sciences Research (AJHSSR)*, 2(10), 125–132.

Rajasekar, S., Philominathan, P., & Chinnathambi, V. (2013). Research methodology.

Rajna, A., Ezat, W. P. S., Junid, S. A., & Moshiri, H. (2011). Financial management attitude and practice among medical practitioners in public and private medical service in Malaysia. *International Journal of Business and Management*, 105–114.

Rammal, H. G., & Zurbruegg, R. (2007). Awareness of Islamic banking products among Muslims: The case of Australia. *Journal of Financial Services Marketing*, 65–74.

Remund, D. L. (2010). Financial literacy explicated: The case for a clearer definition in an increasingly complex economy. *The Journal of Consumer Affairs*, 276–295.

Rike Setiawati, S., Nidar, S. R., Anwar, M., Masyita, D. (2018). Academy of Strategic Management Journal, 1.

Riley, W., & Chow, K. (1992). Asset allocation and individual risk aversion. *Financial Analysts Journal*, 32–37.

Satsios, N., Hadjidakis, S., Sotiropoulos, I., & Tsounis, N. (2020). Religiosity and intention towards saving of a Muslim minority in Greece. *Canadian Center of Science and Education*, 36–53.

Saunders, M., Lewis, P., & Thornhill, A. (2007). Research methods for business students (7th ed.). Pearson Education Limited. <https://www.pearson.com/uk/educators/higher-education-educators/program/Saunders-Research-Methods-for-Business-Students-7th-Edition/PGM1089011.html>

SC. (2021). List of Shariah-compliant securities by Shariah Advisory Council Securities Commission Malaysia. Retrieved from <https://www.sc.com.my/api/documentms/download.ashx?id=48a2810f-415f-48e7-bfac-ff77dc473c0e>

Sekaran, U., & Bougie, R. (2013). Research methods for business: A skill building approach (6th ed.). United Kingdom.

Sekaran, U., & Bougie, R. (2016). Research methods for business: A skill-building approach (7th ed.). Wiley.

Setiyani, R., & Solichatun, I. (2019). The role of family financial discussions in shaping financial literacy and behavior. *International Journal of Economics & Management*, 12(1), 112-129.

Shamasundari, R. (2016, January 21). Investment guide: Investing in Shariah-compliant investments. <https://www.imoney.my/articles/investment-guide-investing-in-shariah-compliant-investments>

Shukor, S. A., & Jamal, A. (2013). Developing scales for measuring religiosity in the context of consumer research. *Middle-East Journal of Scientific Research*, 69–76.

Snir, R., & Harpaz, I. (2002, June). The meaning of work for public sector versus private sector employees. <https://www.researchgate.net/publication/254847324>

Souiden, N., & Rani, M. (2015). Consumer attitudes and purchase intentions toward Islamic banks: The influence of religiosity. *International Journal of Bank Marketing*, 33(2), 143–161.

Tabachnick, B. G., & Fidell, L. S. (2013). *Using multivariate statistics* (6th ed.). Pearson.

Taber, K. S. (2017). The use of Cronbach's alpha when developing and reporting research instruments in science education. *Research in Science Education*, 1–24. <https://doi.org/10.1007/s11165-016-9602-2>

Xu, X., Xia, L., Zhang, Q., et al. (2020). The ability of different imputation methods for missing values in mental measurement questionnaires. *BMC Medical Research Methodology*, 20, 42. <https://doi.org/10.1186/s12874-020-00932-0>

Yahaya, S., Ibrahim, H., Zulkafli, A. H., Shahril, M., & Razimi, A. (2017). Demographics factors and awareness on Shariah-based private retirement scheme among higher learning institution students in Malaysia. *Scientific Journal Economics, Management and Sustainability*, 86–94.

Yahaya, S., Ibrahim, H., Zulkafli, H. A., & Razimi, A. S., Shahril, M. (2017). Demographics factors and awareness on Shariah-based private retirement scheme among higher learning institution students in Malaysia. *Economics, Management and Sustainability*, 2(27).

Yusuff, N., Mansor, F., & Hamed, B. A. (2017). The measurement of Islamic unit trust investment decision in Malaysia: An exploratory factor analysis. *International Journal of Islamic Business*, 2(1), 40.

Zainudin, N. B., Miskam, S. B., & Sulaiman, M. B. (2014). Revised Shariah screening methodology for Shariah-compliant securities: New standard to meet global expectation. 76–85.



## APPENDICES

### Appendix A: Questionnaires



**Pusat Pengajian Perniagaan Islam**  
ISLAMIC BUSINESS SCHOOL  
كلية إدارة الأعمال الإسلامية  
Universiti Utara Malaysia

Dear respondents,

You are invited to participate in this research entitle **FAMILY FINANCIAL MANAGEMENT IN HOUSEHOLD CONSUMPTION AMONG MUSLIM IN JOHOR**

Please be assured that all information obtained from this questionnaire **WILL BE STRICTLY CONFIDENTIAL** and will be used for academic purposes only. Your kind participation and assistance in making sure this study successful is highly appreciated.

#### INSTRUCTIONS:

- Please answer ALL questions and simply tick (✓), fill in or circle one of your preferred answer.
- There is no right or wrong answer but your careful consideration of each response, based on your own experiences and beliefs in sought.
- ALL information will be treated as CONFIDENTIAL and only statistical aggregations will be reported.

For further inquiry, please contact: Mohamed Abu Baker bin M.Mohaideen 010-6697015, Email: [m.abubaker1992@gmail.com](mailto:m.abubaker1992@gmail.com)

Yours sincerely,

MOHAMED ABU BAKER BIN M MOHAIDEEN

Master of Islamic Finance and Banking (MIFB), UUM

## INTRODUCTION

### SECTION A: DEMOGRAPHIC INFORMATION

**This section is on demographic details of the respondents. Direction: Please select the best option that describes you.**

1) Gender

Male  Female

2) Age

20-29  30-39  40-49  50 and above

3) Employment sector

Government  Private  GLC Others: \_\_\_\_\_ (please specify)

4) Employment Status

Permanent  Contract  Temporary

5) Position

	Non- Executive
	Supervisor
	Executive
	Manager
	Business Owner

6) Level of Education

Diploma

Bachelor Degree

Master's or Doctoral Degree

Others: \_\_\_\_\_ (please specify)

7) Marital Status

Single

Married

Divorced

Widow

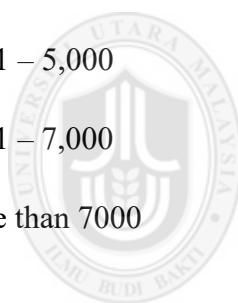
8) Monthly Income (in RM):

Less than 3,000

3,001 – 5,000

5,001 – 7,000

More than 7000



**UUM**  
Universiti Utara Malaysia

9) Household Consumption (Monthly)):

0 - 1,000

1,001 – 2,000

2,001 – 3,000

3,001-4,000

4,001 and above

SECTION B: Descriptive Statistics for Religiosity, Family Background, and Financial Literacy

Direction: Please circle the number of your answer that relates your opinion.

**Religiosity**

1	2	3	4	5
Strongly Disagree	Slightly Disagree	Partly Agree	Slightly Agree	Strongly Agree

No	Religiosity	Strongly Disagree					Strongly Agree	
		1	2	3	4	5		
10.	I pray five times a day	1	2	3	4	5		
11.	I fast regularly in the month of Ramadhan	1	2	3	4	5		
12.	I pay zakat every year whenever I fulfil the prescribed criteria	1	2	3	4	5		
13.	I follow Islamic injunctions in all matters of my life	1	2	3	4	5		
14.	I feel sad if I did not read/recite the Al-Quran everyday	1	2	3	4	5		
15.	I always try to avoid minor and major sin	1	2	3	4	5		
16.	I always keep myself away from earning through haram (prohibited) means	1	2	3	4	5		
17.	I always spending on unnecessary items to show off	1	2	3	4	5		
18.	The Sunnah traditions of Rasulullah are applicable and practicable at all times	1	2	3	4	5		
19.	All mankind's deeds will be judged and rewarded accordingly after death	1	2	3	4	5		

## Family Background

1	2	3	4	5
Strongly Disagree	Slightly Disagree	Partly Agree	Slightly Agree	Strongly Agree

No	Family Background	Strongly Disagree		Strongly Agree	
		1	2	3	4
20.	My parent educate me on how to save money	1	2	3	4
21.	My parent is very careful in spending their own money	1	2	3	4
22.	During my childhood, my parent gives reward every time I manage to save money	1	2	3	4
23.	My parent is my example when it comes to money management	1	2	3	4
24.	My parent/ family have strong financial background	1	2	3	4

## **Financial Literacy**

Direction: Please circle the number of your answer that relates your opinion.

1	2	3	4	5
Strongly Disagree	Slightly Disagree	Partly Agree	Slightly Agree	Strongly Agree

<b>No</b>	<b>Financial Literacy</b>	Strongly Disagree		Strongly Agree		
		1	2	3	4	5
25.	I have sufficient knowledge on financial management					
26.	I have sufficient knowledge on financial management					
27.	I am able to prepare my own monthly budget					
28.	I understand of my financial needs during retirement					
29.	I have knowledge in calculating my monthly consumption					
30.	I can differentiate between necessary and unnecessary consumption					

THANK YOU

## Descriptives

### Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness	Std. Error
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Error
Religiosity	71	3.78	5.00	4.7355	.33564	-1.224	.285
Family_Bground	71	3.50	5.00	4.5201	.36962	-.734	.285
Financial_Lit	71	2.17	5.00	4.1056	.67214	-.491	.285
Valid N (listwise)	71						

### Descriptive Statistics

	Kurtosis	
	Statistic	Std. Error
Religiosity	.422	.563
Family_Bground	-.086	.563
Financial_Lit	-.172	.563
Valid N (listwise)		

## Frequencies

### Statistics

	1.	2.	3.	4.	5.	6.
	Gender	Age	Employment Sector	Employment Status	Position	Level of Education
N	Valid	71	71	71	71	71
	Missing	0	0	0	0	0

### Statistics

		7. Marital status	8. Household income	9. Household Consumption (Monthly)
N	Valid	71	71	71
	Missing	0	0	0

### Frequency Table

#### 1. Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	30	42.3	42.3	42.3
	Female	41	57.7	57.7	100.0
	Total	71	100.0	100.0	

#### 2. Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20-29	10	14.1	14.1	14.1
	30-39	41	57.7	57.7	71.8
	40-49	14	19.7	19.7	91.5
	50 and above	6	8.5	8.5	100.0
	Total	71	100.0	100.0	

#### 3. Employment Sector

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Government	48	67.6	67.6	67.6
	Private	13	18.3	18.3	85.9
	GLC	10	14.1	14.1	100.0
	Total	71	100.0	100.0	

#### 4. Employment Status

		Frequency	Percent	Valid Percent	Cumulative Percent
--	--	-----------	---------	---------------	--------------------

Valid	Permanent	63	88.7	88.7	88.7
	Contract	8	11.3	11.3	100.0
	Total	71	100.0	100.0	

### 5. Position

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Non-executive supervisor	23	32.4	32.4	32.4
	executive	4	5.6	5.6	38.0
	manager	39	54.9	54.9	93.0
	Total	5	7.0	7.0	100.0
		71	100.0	100.0	

### 6. Level of Education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Diploma	8	11.3	11.3	11.3
	Bachelor's Degree	46	64.8	64.8	76.1
	Master's or Doctoral Degree	8	11.3	11.3	87.3
	Other	9	12.7	12.7	100.0
	Total	71	100.0	100.0	

### 7. Marital status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	9	12.7	12.7	12.7
	Married	61	85.9	85.9	98.6
	Widowed	1	1.4	1.4	100.0
	Total	71	100.0	100.0	

### 8. Household income

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than RM3,001	8	11.3	11.3	11.3

RM3001- RM5,000	21	29.6	29.6	40.8
RM5,001- RM7,000	14	19.7	19.7	60.6
More than RM7000	28	39.4	39.4	100.0
Total	71	100.0	100.0	

## 9. Household Consumption (Monthly)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	RM 0-RM1000	3	4.2	4.2	4.2
	RM 1001-RM2000	10	14.1	14.1	18.3
	RM 2001-RM3000	17	23.9	23.9	42.3
	RM 3000-RM4000	16	22.5	22.5	64.8
	RM 4001 and above	25	35.2	35.2	100.0
	Total	71	100.0	100.0	

## Descriptives

Universiti Utara Malaysia

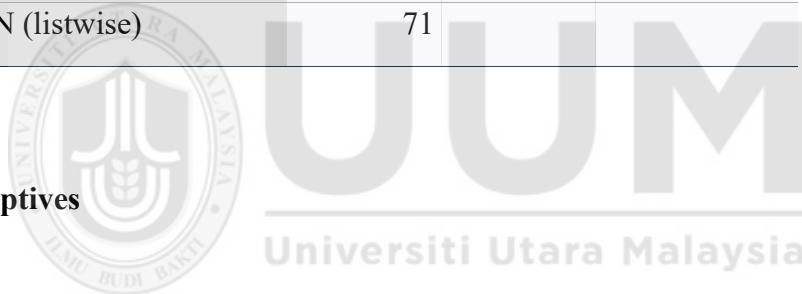
## Descriptive Statistics

	N	Mean	Std. Deviation
10. I pray five times a day	71	4.87	.476
11. I fast regularly in the month of Ramadhan	71	4.94	.29
12. I pay zakat every year whenever I fulfil the prescribed criteria	71	4.93	.31
13. I follow Islamic injunctions in all matters of my life	71	4.73	.51
14. I feel sad if I did not read/recite the Al-Quran	71	4.46	.81

everyday			
15. I always try to avoid minor and major sin	71	4.70	.52
16. I always keep myself away from earning through haram (prohibited) means	71	4.83	.70
17. I always spending on unnecessary items to show off	71	4.61	.67
18. The Sunnah traditions of Rasulullah are applicable and practicable at all times	71	4.54	.67
19. All mankind's deeds will be judged and rewarded accordingly after death	71	4.87	.38

Valid N (listwise) 71

### Descriptives



### Descriptive Statistics

	N	Mean	Std. Deviation
20. My parent educate me on how to save money	71	4.27	.86
21. My parent is very careful in spending their own money	71	4.28	.91
22. During my childhood, my parent gives reward every time I manage to save money	71	3.21	1.12

23. My parent is my example when it comes to money management	71	4.03	1.00
24. My parent/ family have strong financial background	71	3.20	1.13
Valid N (listwise)	71		

### Descriptives

**Descriptive Statistics**

	N	Mean	Std. Deviation
25. I have sufficient knowledge on financial management	71	3.73	.93
26. I am able to manage my credit card usage	71	3.82	1.29
27. I am able to prepare my own monthly budget	71	4.23	.83
28. I understand of my financial needs during retirement	71	4.34	.81
29. I have knowledge in calculating my monthly consumption	71	4.21	.79
30. I can differentiate between necessary and unnecessary consumption	71	4.31	.75
Valid N (listwise)	71		

### Descriptives

**Descriptive Statistics**

	N	Mean	Std. Deviation
Religiosity	71	4.74	.34
Family_Bground	71	4.52	.37
Financial_Lit	71	4.11	.67
Valid N (listwise)	71		

## PLUM - Ordinal Regression

### Warnings

There are 267 (79.7%) cells (i.e., dependent variable levels by observed combinations of predictor variable values) with zero frequencies.

### Case Processing Summary

		N	Marginal Percentage
9. Household Consumption (Monthly)	RM 0-RM1000	3	4.2%
	RM 1001-RM2000	10	14.1%
	RM 2001-RM3000	17	23.9%
	RM 3000-RM4000	16	22.5%
	RM 4001 and above	25	35.2%
5. Position	Non-executive	23	32.4%
	supervisor	4	5.6%
	executive	39	54.9%
	manager	5	7.0%
6. Level of Education	Diploma	8	11.3%
	Bachelor's Degree	46	64.8%
	Master's or Doctoral Degree	8	11.3%
	Other	9	12.7%
8. Household income	Less than RM3,001	8	11.3%
	RM3001-RM5,000	21	29.6%
	RM5,001-RM7,000	14	19.7%
	More than RM7000	28	39.4%
Valid		71	100.0%

Missing	0
Total	71

### Model Fitting Information

Model	Likelihood	-2 Log	Chi-Square	df	Sig.
Intercept Only	205.275				
Final	160.907	44.368		11	<.001

Link function: Logit.

### Goodness-of-Fit

	Chi-Square	df	Sig.
Pearson	189.085	253	.999
Deviance	159.521	253	1.000

Link function: Logit.

### Pseudo R-Square

Cox and Snell	.465
Nagelkerke	.491
McFadden	.215

Link function: Logit.

### Parameter Estimates

		Estima	Std.			
		te	Error	Wald	df	Sig.
Thresh	[@9.HouseholdCo old nsumptionMonthl y = 1]	-5.010	3.599	1.938	1	.164
	[@9.HouseholdCo nsumptionMonthl y = 2]	-2.223	3.480	.408	1	.523
	[@9.HouseholdCo nsumptionMonthl y = 3]	-.314	3.486	.008	1	.928
	[@9.HouseholdCo nsumptionMonthl y = 4]	1.006	3.488	.083	1	.773

Location	Family_Bground	.641	.718	.797	1	.372
n	Financial_Lit	.134	.394	.115	1	.735
	[@5.Position=1]	-1.300	1.142	1.295	1	.255
	[@5.Position=2]	-.610	1.432	.182	1	.670
	[@5.Position=3]	-1.441	1.129	1.628	1	.202
	[@5.Position=4]	0 <sup>a</sup>	.	.	0	.
	[@6.LevelofEducation=1]	-2.001	1.005	3.963	1	.047
	[@6.LevelofEducation=2]	-.953	.890	1.147	1	.284
	[@6.LevelofEducation=3]	-1.146	1.076	1.134	1	.287
	[@6.LevelofEducation=4]	0 <sup>a</sup>	.	.	0	.
	[@8.Householdincome=1]	-5.535	1.167	22.500	1	<.001
	[@8.Householdincome=2]	-1.933	.607	10.131	1	.001
	[@8.Householdincome=3]	-.523	.691	.573	1	.449
	[@8.Householdincome=4]	0 <sup>a</sup>	.	.	0	.

**Universiti Utara Malaysia**  
**Parameter Estimates**

		95% Confidence Interval		
		Lower Bound	Upper Bound	
Threshold	[@9.HouseholdConsumptionMonthly = 1]		-12.064	2.043
	[@9.HouseholdConsumptionMonthly = 2]		-9.042	4.597
	[@9.HouseholdConsumptionMonthly = 3]		-7.147	6.519
	[@9.HouseholdConsumptionMonthly = 4]		-5.831	7.842
Location	Family_Bground		-.766	2.048
	Financial_Lit		-.638	.905
	[@5.Position=1]		-3.539	.939
	[@5.Position=2]		-3.416	2.196
	[@5.Position=3]		-3.654	.772
	[@5.Position=4]		.	.

[@6.LevelofEducation=1]	-3.971	-.031
[@6.LevelofEducation=2]	-2.697	.791
[@6.LevelofEducation=3]	-3.255	.963
[@6.LevelofEducation=4]	.	.
[@8.Householdincome=1]	-7.823	-3.248
[@8.Householdincome=2]	-3.123	-.743
[@8.Householdincome=3]	-1.879	.832
[@8.Householdincome=4]	.	.

Link function: Logit.

a. This parameter is set to zero because it is redundant.

Test of Parallel Lines <sup>a</sup>				
Model	-2 Log Likelihood	Chi-Square	df	Sig.
Null Hypothesis	160.907			
General	145.164 <sup>b</sup>	15.744 <sup>c</sup>	33	.995

The null hypothesis states that the location parameters (slope coefficients) are the same across response categories.<sup>a</sup>

a. Link function: Logit.

b. The log-likelihood value cannot be further increased after maximum number of step-halving.

c. The Chi-Square statistic is computed based on the log-likelihood value of the last iteration of the general model. Validity of the test is uncertain.

## Reliability

## Scale: ALL VARIABLES

### Case Processing Summary

	N	%
Cases	Valid	71 100.0
	Excluded <sup>a</sup>	0 .0
	Total	71 100.0

a. Listwise deletion based on all variables in the procedure.

### Reliability Statistics

Cronbach's

Alpha	N of Items
.766	10

### Reliability

Scale: ALL VARIABLES



### Case Processing Summary

	N	%
Cases	Valid	71 100.0
	Excluded <sup>a</sup>	0 .0
	Total	71 100.0

a. Listwise deletion based on all variables in the procedure.

### Reliability Statistics

Cronbach's

Alpha	N of Items
.855	5

## **Reliability**

### **Scale: ALL VARIABLES**

#### **Case Processing Summary**

		N	%
Cases	Valid	71	100.0
	Excluded <sup>a</sup>	0	.0
	Total	71	100.0

a. Listwise deletion based on all variables in the procedure.

#### **Reliability Statistics**

Cronbach's

Alpha	N of Items
.827	6

