

Enhancing Holistic Well-being of Malaysian Youth: A Financial Survival Chain Analysis

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Abstract - With the advent of Industrial Revolution 4.0 and technology development, community well-being is given more attention so that mankind will be able to achieve soundness in living. The aim of this paper is to depict the holistic well-being of Malaysian youth particularly in the area of finance since many youths face-daunting challenges due to problems associated with money. This is a quantitative study involving 200 working youths between the age group of 24-30 years. In terms of objective well-being, the study revealed that Malaysian youth are prudent and wise with their money management. On the other hand, the subjective well-being showed that the youth are facing financial constraints for the purpose of investment, holidaying and to purchase medical insurance. The study recommends that the financial survival chain of working youth could be boosted if the concerned parties paid more attention to easing youth involvement in investing in safe investment portfolios as well as providing them with affordable holiday and medical insurance packages. Furthermore, more efforts should be carried out to combine the objective and subjective evaluation of youth well-being as it portrays a holistic picture of the current status quo of youth in relation to their well-being.

Keywords – debts, expenditure, income, financial, well-being, youth

1. Introduction

The rise of changes in technology development has greatly influenced society [1] including youth and consequently well-being is procuring much enthusiasm among social researchers as it seen as a forerunner towards the satisfaction of humanity. Since the time of Aristotle till today, well-being has been characterized in a variety of grouping and a considerable lot of these definitions depict well-being as the essence towards making a superior life and society. Amid the period of Aristotle, well-being is viewed as the augmentation of self-improvement in various domains running from wealth, education, environment, and social relationship. At that point, in the eighteenth century, Bentham alludes to well-being as the quest for satisfaction and people's engagement in their mission towards life.

From that point, forward much work has been completed regarding the matter of well-being and recently, it is perceived that the two critical determinants of person's well-being are the subjective assessment people's place on their feelings and personal satisfaction [2].

Irrefutably, the plan of society's well-being has dependably been at the core of United Nations since its initiation. Essentially, there are 17 goals in the new Sustainable Development Goals (SDGs) that is geared towards achieving a world with no poverty, zero hunger, good health and well-being, quality education, gender equality, clean water and sanitation, affordable and clean energy, decent work and economic growth, industry, innovation and infrastructure, reduced inequalities, sustainable cities and communities, responsible consumption and production, climate action, life below water, life on land, peace, justice and strong institutions, and partnerships for the goals. All these goals have specific targets to be attained in the long-run.

Specifically, for the youth, the Global Youth Well-being Index focusses on seven major domains, namely gender equality, economic opportunity, education, health, safety and security, citizen participation, and information and communications technology. This index provides a global outlook on the challenges of both aspects of objective and subjective and this reflects the current well-being of youth. The current findings in the index proclaim that youth having the lowest overall scores in the economic domain. This calls for a further analysis on the youths' objective and subjective indicators, commonly known as the holistic well-being, to see how to tie this financial survival chain so that our youth will be robust to face future challenges.

1.1 Youth Challenges

Youth face a multitude of challenges especially when many countries are facing huge budget deficits, as well as consumer's debts, keep on increasing at an alarming rate in addition to an environment that is filled with instant gratification. It is quite evident that youth are facing an arduous task to exercise financial discipline as a result of continuous external influences youth face day-in and day-out. For instance, digital technology has enabled the world to develop many robust and mobile devices and consequently, youth tend to spend more by using these devices. Thus, understanding the financial survival chain of youth is pertinent to assist youth in making their constructive economic decisions and escaping from debt. Based on the information obtained from the Institute for Youth Research Malaysia (IYRES), there are currently more than 5 million youths in Malaysia. One of the alarming statistics as revealed in a local newspaper showed that in 2017, an estimated 3,400 youths aged 20-30 years sought financial help in the first eight months and some of them are in the verge of bankruptcy. Thus, understanding

the well-being of youth in the financial dimension is important to strategize concrete efforts that will hinder youth from being trapped in the bankruptcy chain.

1.2 Objectives of the Study

In general, the objectives of the study are as follows:

- to determine the level of monthly income and expenditure of Malaysian youth;
- to determine the percentage of Malaysian youth having debts;
- to determine the financial assets of Malaysian youth;
- to identify contributing factors of the financial subjective well-being of Malaysian youth.

2. Literature Review

Historically, the financial domain has always been featured as the essence of societal well-being. Undeniably, the proper estimation of well-being has dependably been an issue as new comprehension on the measurement of well-being keeps on changing from time to time. Beforehand the basic idea is that the estimation of the well-being of society is absolutely in view of the component of wealth [3]. In any case, as per mentioned by Gasper [4], well-being fittingly is an umbrella idea that envelops both the objective dimension and subjective dimension. Thus, subjective dimension became an important component as it is deemed as a conspicuous focus on that individuals might want to accomplish in their life [5].

A chronology of events on the measurement of well-being showed that in 1979 the *Physical Quality of Life Index* was developed by the Overseas Development Council with three indicators that focus on the rate of literacy, infant mortality, and life expectancy. Then in the 1990s, the Human Development Index (HDI) was created whereby the estimation of well-being has focused on economic as well as people's capability. Next, is the Diener Quality of Life Index [6], [7], whereby it comprises of two distinctive features, specifically, the Basic Quality of Life Index and the Advanced Quality of Life Index. The basis of having two methods of lists depends on the way that the prerequisites would contrast in developing and developed nations. Regardless of the varieties in the well-being estimation instrument, the goal and the objective of estimation is the same. Then, emerged the Social Development Index also known as the Social Progress that is credited to Estes that has 46 unique factors with 10 sub-indicators.

Besides organizations, well-being has also caught the attention of a string of individual researchers and again it is noticed that the dimension of financial well-being is commonly featured in all these studies. One of the latest studies on well-being had captured eight dimensions and they are income, financial hardships, material deprivation, leisure time, health, contacts with families, contacts with friends, and subjective well-being [8]. Another study by Yassin et al. [9] also linked financial well-being with subjective life satisfaction.

Based on the above arguments, this study hypothesized that the objective financial well-being scores would provide the numerical picture of the financial well-being of youth and it will be correlated with the scores obtained from the

financial subjective well-being. An understanding of the scores obtained for both the objective and subjective financial well-being will portray the holistic financial well-being of youth.

3. Methodology

This is a quantitative study whereby the study involved a total of 200 employed youth between the ages of 24-30 from five zones in Malaysia. The instrument of the study was developed based on previous literature and it was validated by experts as well as via statistical tools. The reliability test for both the pilot test and the actual test revealed a Cronbach alpha of between .83 and .92 reflecting the soundness of the instrument. The data collection took about five months to complete and the data were analyzed using the SPSS software.

4. Results and Discussion

The findings displayed in this section is the data collected from 200 working youth with a mean age of 26 years old. The first aim of this study is to examine the monthly income and expenditure of these youth. As in Table 1, the data showed that the 37.5% of the Malaysian youth are earning between RM1,001 to RM2,000 followed by 33.0% earning less than RM1,000, 17.5% earning between RM2,001 to RM3,000, and 7.5% earning between RM3,001 and RM4,000. Only a small percentage of less than five percent are earning more than RM4,000.

Table 1: Monthly Income of Malaysian Youth

		Monthly Income			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than RM1,000	66	33.0	33.0	33.0
	RM1,001 - RM2,000	75	37.5	37.5	70.5
	RM2,001 - RM3,000	35	17.5	17.5	88.0
	RM3,001 - RM4,000	15	7.5	7.5	95.5
	More than RM4,000	9	4.5	4.5	100.0
Total		200	100.0	100.0	

On the other hand, the monthly expenditure of Malaysian youth showed that cumulatively 85.0% are spending less than RM2,000 and only 4.5% are spending above RM3,000 per month. Thus, it is clear that the monthly income and monthly expenditure are somewhat correlated and Malaysian youth are spending their money prudently and wise in their financial management.

Table 2: Monthly Expenditure of Malaysian Youth

		Monthly Expenditure			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than RM1,000	112	56.0	56.0	56.0
	RM1,001 - RM2,000	58	29.0	29.0	85.0
	RM2,001 - RM3,000	21	10.5	10.5	95.5
	RM3,001 - RM4,000	6	3.0	3.0	98.5
	More than RM4,000	3	1.5	1.5	100.0
Total		200	100.0	100.0	

Next, in Table 3, it shows the output on whether Malaysian youth possesses debts that might affect their well-being. The outcome showed that almost 60% are still facing debts, which could be related to the loans that they have taken to refinance their purchase of assets, as well as paying back their education loans

Table 3: Debts of Malaysian Youth

		do you have debts		
		Frequency	Percent	Valid Percent
Valid	Yes	118	59.0	59.0
	No	82	41.0	41.0
	Total	200	100.0	100.0

Another interesting question was posed to these youth inquiring from them the amount of money they needed per month to lead a comfortable life. The mean score revealed that the youths currently expect an income of RM5,000 to have a pleasant life.

Table 4: Money Needed for Comfortable Living

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
How much money needed per month to lead a comfortable life	200	.00	100000.00	5001.7500	8586.34591
Valid N (listwise)	200				

In terms of financial asset, the median score revealed that the assets possessed by the Malaysian youth of this study were RM4,000. This is not surprising since the youth of the study have most probably just started working and thus they might not possess many assets. However, generally, it showed that the Malaysian youth does have a concern to save money to face uncertainties in the future.

The following analysis is to fulfill the fourth objective of the study, that is, to explain the items that depict the financial subjective well-being of the working Malaysian youth. The findings revealed that the highest mean score was obtained by the item "I am able to save money

monthly" (M=3.38, SD=1.14) followed by "There are many jobs available that are in line with my interests and capability" (M=3.25, SD=1.06). However, the items that scored the lowest mean score were "I have invested in investment schemes offered by the government/banks" (M=2.84, SD=1.22), "I have an annual budget to go for holidays" (M=2.81, SD=1.14), and "I have health insurance policies to cover for my medical needs" (M=2.93, SD=1.25).

5. Conclusion and Recommendations

The study provides an initial understanding of the holistic well-being of youth from the perspective of finance. It investigated the objective well-being by computing the current assets and liabilities of youth. Then, an analysis was done using the subjective well-being items that will reflect the current satisfaction of youth financially based on the actual net financial worth they possess. The study proposes that the youth financial holistic well-being could be further improved if the concerned parties were to put more effort to provide easier packages of investment, holidays and health insurance schemes. Without a doubt, the holistic well-being of youth is enhanced if youths were given the opportunity to earn a living, opportunities to invest, in possession of a health security, and affordable holiday packages to ease their mind and body. Conclusively, this study also demonstrated the viability of combining both the objective and subjective indicators as it provides a better picture on youth's current status quo on the issue of well-being.

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