The Factors of Saving Behaviour among University Students

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Abstract
Due to the current unpredictable economic conditions and rising cost of living, students are experiencing financial challenges. Their repayment obligations on their debts also add to their financial issues. Additionally, UiTM Seremban's strategic location also contribute to the impact on students' purchasing habits, regardless of whether they can manage it or not. They must save to make sure they can survive through the entire semester. The main focus of this study is to determine the factors that influence the saving behavior among UiTM Seremban students based on some factors which are self-control, peer influence, financial literacy, parental socialization. The aims of this research are to measure the strength of relationship between self-control, peer influence, financial literacy and parental socialization with saving behavior and to determine the significant factor (self-control, peer influence, financial literacy and parental socialization) of saving behavior. There are 327 students who had been chosen as a sample for the study. The data had been analysed by using the methods of Pearson correlation coefficient and multiple linear regression. Overall, self -control, financial literacy and parental socialization have strong relationship with saving behavior and these factors also have significant effect towards saving behavior.
Keywords: Self- Control, Peer Influence, Financial Literacy, Parental Socialization, Multiple Linear Regression , Pearson Correlation Coefficient

Introduction
    Nowadays, unstable economic problems have led to an increase in the cost of living whether it is in the city or the countryside. The government's decision to cut off the subsidies increase the inflation rate in Malaysia (Rehman & Khan, 2015). It persuaded people to observe their spending habits and control their expenses. The unstable economy also affects the students at the university to manage their financial properly. One of the problems that occur is the financial problems faced by students either from the government or private universities. When students continue their education to a higher level, such as in institutions of higher

learning, they are more likely to spend more money. They need to pay for their studies and living expenses in university (Daud et al., 2018) such as the placement, tuition, books, mobile reload, internet, foods, and so on.

According to the Asian Institute of Finance (2015), young Malaysians often live on the "financial edge" and experience financial stress, with 40% spending more than they can afford. As young people often use technology to accomplish daily tasks, they can easily access personal loans and credit card financing, and make online purchases excessively, which leads to the rising bankruptcy cases in Malaysia [Bernama, 2018].

Identifying what influences the saving behaviour of university students in Malaysia is essential to develop a solution to promote positive saving behaviour among them. However, studies on Malaysian university students' saving behaviours are neglected and limited (Daud et al., 2018). Thus, this study tries to fill this gap by looking for an answer to the following research question "What factors influence Malaysian university students' saving behaviour?". The study's findings allow policymakers to develop practical solutions to promote positive saving behaviour among Malaysian university students.

One of initiatives by the Malaysian government to help students pursue their studies and handle financial problem at the universities is by providing educational loan through its agency namely Perbadanan Tabung Pendidikan Tinggi Nasional (PTPTN) encourages students to start saving early to finance the cost of their studies. Based on Tharanika and Andrew (2017), saving behavior is described as an individual's act or technique to reduce expenses or delay consumption. Saving awareness among university students is still low and it only happens when there is extra money available. This study focuses on factors of peer influence, parents' socialization, financial literacy, and self-control. This research attempts to investigate the factors of saving behavior among Universiti Teknologi MARA (UiTM) Seremban students based on these factors.

Research Objectives
1. This research aims to measure the strength of relationship between self-control, peer influence, financial literacy and parent socialization with saving behavior
2. This research aims to determine the significant factors (self-control, peer influence, financial literacy and parental socialization) of saving behavior.

Literature Review
In this research, the factors of saving behavior among students are investigated. There are four factors that influence students to saving behavior which are parental socialization, peer influence, financial literacy and self-control.

Parental Socialization
Based on a research by Gimenez-Serrano et al (2022), they state that parental socialization frequently grouped and known as two categories which are warmth (such as communication, encouragement, or displays of affection). The encouragement by parents build up the ability of the students to apply saving behavior in themselves. Parents are the best sources who can control their children's spending and encourage them for saving.

Peer Influence
Better financial literacy is predicted to reduce the negative effects of financial crises while also improving corporate governance. As stated by Joo (2008), financial literacy is described as

having a sufficient understanding of personal finance facts and terms to manage one's finances efficiently. Based on Albeerdy and Gharleghi (2015), the findings show that saving behavior is significantly influenced by the financial literacy whereby individuals with low level of financial literacy are not intended to save and eventually encounter financial problems in future.

Financial Literacy

According to Khoo (2021), financial literacy is defined as the capacity to utilise financial knowledge and skills to successfully manage lifetime resources for wellbeing. Based on Albeerdy and Gharleghi (2015), the finding shows that saving behaviour is significantly influenced by the financial literacy whereby individuals with low level of financial literacy are not intended to save and eventually encounter financial problems in future.

Self-Control

Self-control is defined as the ability for someone to identify and control his desires and emotions. The capability to delay desire, volitional effort, and self-discipline are all characteristics of self-control. According to Letkiewicz and Fox (2014), self-control has been linked to a variety of behavior, including accumulation of money. Money management and financial issues are common things that related to people with low self-control. If people are able to control themselves in purchasing with reasonable budget, they manage to save their money. Therefore, self-control is highly influencing saving behavior.

Methodology

This study was an explanatory research on the factors of saving behavior among UiTM Seremban campus students. The population of this research was 5294 students of UiTM Seremban campus. The total number of population was obtained from Department of Academic Affairs (HEA) UiTM Cawangan Negeri Sembilan, Kampus Seremban. The sample size of 372 students was calculated by using the formula of Yamane to be representative of the population as shown in equation below:

$$n = \frac{N}{1 + Ne^2}$$

In this study, simple random sampling technique is used to collect the data from the selected sample. The primary data was collected by using a questionnaire seeing as it can reduce the time implementation on a large sample size. The questionnaire used was adapted from research by Chia et al (2011) which had been conducted at Universiti Tunku Abdul Rahman (UTAR). The questionnaire consists of five sections, of which section A is for demographic information while the remaining sections which are section B, C, D, E and F asked about the self-control, peer influence, financial literacy, parental socialization and saving behavior among UiTM Seremban students respectively. A pilot study was conducted on 30 respondents to evaluate the questionnaire before the actual study is done.

The result was analysed by using descriptive statistics, reliability test, Pearson Correlation and Multiple Linear Regression. For reliability test, if the value of alpha coefficient less than 0.6, it is considered as poor and unreliable, while those over 0.6 are reliable. Pearson Correlation Coefficient is used to achieve the first objective since it can measure the strength of relationship between two continuous variables (Saunders et al., 2010). The strength of the

factors can be determined from the coefficient of determinant, r value. The hypothesis only accepted if the significance value is less than

0.05 (Malhotra & Dash, 2010). Multiple Linear Regression is used to achieve the second objective since it can be used to determine the significant relationship between two or more independent variables and one dependent variable (Saunders et al., 2010). There are five assumptions of Multiple Linear Regression must be checked. Firstly, the linearity of dependent variable and independent variables by plotting in scatter plot. Secondly, the normality of all variables are tested with histogram The third assumption is there is no multicollinearity in the data. It was tested by using Variance Inflation Factor (VIF), where there are existence of multicollinearity if VIF>10 or Tolerance<0.1. The forth assumption is the data must have no auto-correlation which can be tested by using Durbin Watson. Lastly, it must homoscedastic which error along the regression line on P-P plot are constant (Reddy & Sarma, 2015). The significance of the variable can be determined by referring to the p-value which is less than 0.05. If the p-value less than or equal to 0.05, then the null hypothesis rejected (Alita et al., 2021).

Results and Discussions
Table 1 shows the cronbach's alpha value for pilot study and actual study. It shows that all the variables are reliable for pilot study, meanwhile for actual study, two items from self-control section need to be removed to ensure all the variables are reliable.

Table 1
Cronbach's Alpha Value for Pilot Study and Actual Study

Variable	Pilot Study		Actual Study	
	Number Of Item	Cronbach's Alpha	Number Of Item	Cronbach's Alpha
Self Control	5	0.523	3	0.64
Peer Influence	5	0.739	5	0.6
Financial Literacy	5	0.701	5	0.832
Parental Socialization	5	0.626	5	0.772
Saving Behavior	5	0.781	5	0.776

Based on Table 2, majority of the respondents are female (82%) while the minority is male (18%). There are three levels of education. Among of the respondents, 74.7% respondents are degree students. Meanwhile, 25% of them are diploma students. 53.5% of the respondents' source of income is from family, meanwhile, 6.1% of the respondents' source of income is from working. Based on their working status, majority of the respondents are not working (77%) while minority of them are doing part time job (10%).

Table 2
Respondents profile

Characteristics	Percentage (%)
Gender	
Male	18
Female	82
Education Level Diploma	
Degree	25
Masters	74.7
	0.3
Source of Income	
Study Loan	33.3
Scholarship	7.1
Family	53.5
Jobs	6.1
Working Status No	
Full Time	77
Part Time	13
	10

The Pearson Correlation Coefficient analysis is used to achieve the first objective. Table 3 shows the results of relationship between saving behavior and the factors (self control, peer influence, financial literacy and parental socialization). Peer influence has a weak positive relationship towards saving behavior. However, self control, financial literacy and parental socialization have strong positive relationship towards saving behavior since the pearson correlation coefficient values are more than 0.5.

Table 3
Correlation of Independent Variables and Dependent Variables

VARIABLE	PEARSON CORRELATION
Self Control	0.590
Peer Influence	0.244
Financial Literacy	0.550
Parental Socialization	0.561

The Multiple Linear Regression is used to achieve the second objective. Table 4 shows the coefficient and significant value of Multiple Linear Regression. Based on the results, self-control, financial literacy and parental socialization variable have a significant effect on the saving behavior variable since the significant values are less than 0.05, meanwhile, peer influence variable does not have a significant effect on the saving behavior variable.

Table 4
Coefficient of Multiple Linear Regression

	β	Significant
(Constant)	0.785	0.000
Self Control	0.281	0.000
Financial Literacy	0.200	0.000
Parental Socialization	0.290	0.000
Peer Influence	0.071	0.061

Conclusion

Based on the research findings, the result shows that by using Pearson's Correlation Coefficient, self-control, financial literacy and parental socialization have a positive strong relationship with the saving behavior with the value of Pearson correlation co-efficient , r more than 0.5 which are 0.590, 0.550 and 0.561 respectively. Consequently, the Multiple Linear Regression analysis, shows that self -control, financial literacy and parental socialization variables have significant effect on the saving behavior variable since their significant values (p-value) are below 0.05.

Recommendation

Promoting a good saving behavior and attitude towards money from home and early childhood is the heart of s success of any monetary policy to be carried out by relevant authoritative bodies. It is important that Malaysian university students recognize the important roles of self-control, financial literacy and parental socialization in developing the saving behavior. It is suggested that a research also to be conducted   among different populations group of such as school children, pensioners and career women or to bigger group of university students like all university students in Malaysia or also among other university students in different countries for further confirmation and comparison.

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