

Beyond the Spotlight: Developing a Comprehensive Financial Literacy Framework for Malaysian Entertainers

Norhisam Bulot

Faculty of Business and Management, Universiti Teknologi MARA Perlis Branch Arau
Campus, 02600 Malaysia

Corresponding Author Email: norhisam@uitm.edu.my

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Abstract

This proposed research addresses the critical issue of financial vulnerability among entertainers in Malaysia. The entertainment industry in Malaysia, while celebrated for its cultural contributions, faces an evident gap in understanding and addressing the financial challenges experienced by entertainers once their careers conclude. The problem statement elucidates the disconnect between the financial success achieved during their active years and the subsequent financial hardships post-career, attributing this gap to insufficient financial literacy and preparedness among entertainers. The primary objectives of this research are twofold: firstly, to conduct a comprehensive assessment of the financial literacy levels among Malaysian entertainers; and secondly, to identify the key financial challenges and vulnerabilities they encounter. This research employs a mixed-method approach, combining quantitative surveys and qualitative interviews, to obtain a comprehensive understanding of the financial behaviours, knowledge, and challenges faced by entertainers. Anticipated outcomes of this research include the identification of specific financial literacy gaps within the Malaysian entertainment industry, insights into the root causes of financial challenges, and the formulation of recommendations to enhance financial education tailored to the unique needs of entertainers. These findings aim to catalyse industry-wide changes by providing actionable insights and strategies to support entertainers in making informed financial decisions, mitigating financial vulnerabilities, and promoting long-term financial stability post-career. The significance of this research lies in its potential to instigate positive transformations within the Malaysian entertainment landscape. By addressing financial literacy gaps and offering tailored solutions, this study seeks to safeguard the financial well-being of entertainers, ensuring they possess the necessary skills and knowledge to navigate their financial futures effectively. Moreover, the research outcomes are poised to influence policy frameworks and industry practices, driving a paradigm shift towards a more financially secure and empowered entertainment sector in Malaysia.

Keywords: Financial Literacy, Entertainers, Irregular Income Management, Financial Education Frameworks, Malaysian Entertainment Industry.

Introduction

Entertainers, particularly in Malaysia, face unique financial challenges due to the nature of their profession, which often involves irregular income streams and short-term contracts. Unlike individuals with stable, salaried jobs, entertainers must navigate a financial landscape characterized by periods of high earnings followed by potential stretches of low or no income. This unpredictability, coupled with a lack of structured financial support, makes it difficult for many entertainers to achieve long-term financial security. Despite their visibility in the public eye, entertainers are not immune to financial difficulties, and a growing number of them struggle with debt, mismanagement of income, and insufficient savings for retirement or emergencies.

Financial literacy, defined as the knowledge and skills necessary to make informed and effective financial decisions, is a critical tool for individuals in any profession. For entertainers, however, it is particularly important as they are more vulnerable to financial instability due to their fluctuating income. Financial literacy encompasses a range of competencies, including budgeting, investing, saving, and managing debt. Studies show that individuals with higher levels of financial literacy are more likely to manage their finances effectively and plan for long-term goals (Lusardi & Mitchell, 2014). However, financial literacy among entertainers, particularly in developing countries like Malaysia, remains an under-researched area.

In Malaysia, the entertainment industry is growing, but the financial well-being of its workers is often overlooked. Many entertainers lack access to tailored financial education programs that address their unique needs. Existing financial literacy frameworks typically target the general population and fail to account for the distinctive challenges faced by those in creative industries. As a result, many entertainers are ill-equipped to handle financial decision-making, leading to poor financial outcomes. This paper aims to bridge this gap by proposing a comprehensive financial literacy framework specifically designed for Malaysian entertainers, addressing the peculiarities of their profession and equipping them with the tools to achieve financial stability.

By developing such a framework, this study seeks to contribute to the financial empowerment of entertainers, providing them with the necessary knowledge and skills to manage their finances effectively. The framework will consider the cyclical nature of entertainment income and offer strategies for budgeting, saving, and investment that cater to the fluctuating earnings typical of this group. In doing so, the paper hopes to fill a critical gap in the literature on financial literacy within niche professional groups.

Literature Review

Financial literacy has long been recognized as a critical skill for effective personal finance management, with growing research highlighting its importance across various professional groups. Financial literacy, broadly defined, encompasses an individual's ability to understand financial concepts and make informed decisions regarding budgeting, saving, borrowing, and investing (Lusardi & Mitchell, 2011). While much of the research on financial literacy focuses on the general population, there is increasing recognition of the unique financial challenges

faced by niche professional groups, such as entertainers, whose irregular income streams require tailored financial strategies (Bannier & Schwarz, 2018). This section reviews existing literature on financial literacy, particularly as it pertains to individuals with inconsistent or irregular incomes, and explores existing frameworks that could inform the development of a comprehensive financial literacy program for Malaysian entertainers.

Financial Literacy in Niche Professional Groups

The concept of financial literacy, though universally applicable, requires specific adaptation when applied to professions with non-standard financial circumstances, such as entertainers. Entertainers often experience significant fluctuations in their income, relying on project-based earnings, royalties, and intermittent contractual payments. These fluctuations increase the likelihood of financial mismanagement, leading to challenges in maintaining consistent savings, investments, and debt management (Sherraden, 2010). The need for financial literacy programs tailored to the unique realities of entertainers is well-documented, with studies showing that many artists and performers lack the financial knowledge necessary to make long-term plans, increasing their risk of financial insecurity (Throsby & Petetskaya, 2016).

A study by Cuddy (2019) examined the financial literacy levels of creative professionals, including musicians and actors, and found that despite higher-than-average earnings in peak periods, many struggled with cash flow management. The irregular nature of their income, combined with a lack of financial education, often led to poor financial outcomes, including debt accumulation and inadequate savings for retirement. Cuddy's research also emphasized the importance of tailored financial education programs that address the specific financial circumstances of these groups, such as how to manage sporadic income streams and plan for periods of low or no earnings.

Irregular Income and Financial Management

One of the central challenges faced by entertainers, and creative professionals more broadly, is the management of irregular income. Unlike salaried employees, entertainers' income is often project-based, resulting in months of high earnings followed by periods of little to no income. This can make it difficult to adhere to traditional financial advice that assumes a stable, monthly pay check. Research by Keating and McKenzie (2020), highlights how income irregularity increases financial vulnerability, as individuals may struggle to budget effectively or accumulate emergency savings. The authors call for financial education frameworks that offer strategies specifically tailored to managing volatility in income.

Additionally, irregular income often complicates tax planning and retirement savings. A study by Schlesinger and Frydman (2017), explored how freelancers and gig workers, including entertainers, face unique difficulties in navigating tax obligations, which often lead to financial penalties. Their research suggests that financial literacy programs for such groups must include education on tax compliance, strategies for saving during high-income periods, and options for retirement planning that accommodate inconsistent income.

Existing Financial Literacy Frameworks

There are several financial literacy frameworks that could inform the development of a program tailored to Malaysian entertainers. Lusardi and Mitchell (2011) developed one of the most well-known models, focusing on core areas such as budgeting, saving, investment, and

debt management. However, as these frameworks are typically designed for individuals with stable income, they often fail to address the unique financial challenges faced by entertainers. To fill this gap, several scholars have proposed models that adapt these principles to niche professional groups.

For instance, Dvorsky (2018), introduced a financial literacy framework aimed at gig economy workers, which emphasizes the importance of flexibility in budgeting and saving. Dvorsky's model suggests allocating a portion of high earnings to long-term savings and investments, while maintaining liquidity to cover periods of low income. The framework also includes guidance on debt management, recommending that individuals with irregular income prioritize paying down high-interest debt during periods of high earnings to reduce financial strain during leaner times. Such an approach could be highly relevant to Malaysian entertainers, whose income patterns closely resemble those of gig economy workers.

In the context of Malaysia, the National Strategy for Financial Literacy (2019-2023) by the Financial Education Network (FEN) provides a broader framework for financial education. However, the strategy primarily targets the general population and does not account for the specific needs of entertainers. This highlights the need for a more focused framework that addresses the nuances of income irregularity and the long-term financial planning challenges unique to entertainers.

In conclusion, the existing body of literature underscores the need for a financial literacy framework tailored to the specific financial challenges faced by entertainers, particularly in managing irregular income. While there are established frameworks that address general financial literacy, few studies have developed models that account for the cyclical nature of entertainers' income. This review highlights gaps in the literature on financial literacy among niche professional groups and the potential for adapting existing frameworks to meet the needs of Malaysian entertainers. As the entertainment industry continues to grow in Malaysia, the development of such a framework will be crucial to ensuring the financial well-being of its workers.

Methodology

Population and Sample

The target population of the research includes Malaysian entertainers across various sectors, including musicians, actors, and performers. The sample will be purposefully selected to include a diverse representation of entertainers based on factors such as career stage, income level, and genre. By targeting a variety of entertainers, the study aims to ensure that the developed framework is comprehensive and applicable to the broader community of Malaysian entertainers.

Theoretical Framework

This conceptual paper employs a theoretical framework grounded in financial literacy and its applicability to entertainers within the Malaysian context. The framework will be informed by existing literature on financial literacy, particularly focusing on niche professional groups such as entertainers (Cuddy, 2019; Dvorsky, 2018). The model will integrate elements from existing financial education frameworks while adapting them to address the unique challenges faced

by entertainers, such as irregular income streams, financial instability, and lack of financial education resources (Keating & McKenzie, 2020; Lusardi & Mitchell, 2014).

Literature Synthesis

To create a practical framework for financial literacy among Malaysian entertainers, a systematic synthesis of relevant literature will be conducted. This will involve reviewing peer-reviewed articles, case studies, and reports focused on financial literacy, especially within the creative and gig economy sectors. A narrative synthesis approach will be employed to identify key themes and findings, allowing for the formulation of a comprehensive model that addresses the specific needs and circumstances of entertainers (Popay et al., 2006).

Scope and Limitations

The scope of this study is limited to Malaysian entertainers, encompassing musicians, actors, and other creative professionals who face financial challenges due to irregular income. While the findings may be relevant to similar demographic groups, the applicability of the developed framework to other regions or professions may be limited. The study also acknowledges potential biases in the existing literature and the need for more empirical research to validate the proposed model.

Data Collection Methods

Data collection will involve a mixed-methods approach, utilizing both quantitative and qualitative methods to gather insights into the financial literacy needs of Malaysian entertainers.

Questionnaires: A structured questionnaire will be developed to assess the financial literacy levels and challenges faced by entertainers. This questionnaire will include Likert-scale items to measure attitudes toward financial management, as well as open-ended questions to capture specific challenges and needs. The questionnaire will be distributed online through platforms commonly used by entertainers, ensuring broad accessibility.

Interviews: In-depth interviews will be conducted with a select group of entertainers to gain qualitative insights into their financial experiences and perceptions. The interviews will follow a semi-structured format, allowing for flexibility in exploring themes related to financial literacy, income management, and the effectiveness of existing financial education resources. Participants will be recruited through industry associations and social media networks related to the entertainment sector. By combining data from questionnaires and interviews, this study will comprehensively understand the financial literacy needs of Malaysian entertainers and inform the development of a robust financial literacy framework tailored to their unique circumstances.

Expected Contributions

This conceptual paper is expected to make significant contributions to both the academic and practical understanding of financial literacy among entertainers, a group often overlooked in financial education discourse. While existing research has broadly covered financial literacy (Lusardi & Mitchell, 2011), little attention has been paid to how financial education applies to professional groups with irregular income streams, such as entertainers. This paper addresses

that gap by proposing a comprehensive framework tailored specifically to the unique financial challenges faced by Malaysian entertainers.

Filling Gaps in Financial Literacy Research for Entertainers

One of the key contributions of this paper is its focus on entertainers, a niche professional group that has received limited attention in financial literacy studies. Much of the existing literature on financial literacy targets the general population or specific subgroups such as retirees or employees with stable incomes (Keating & McKenzie, 2020). However, entertainers, particularly those in developing economies like Malaysia, face unique financial challenges due to the cyclical and irregular nature of their income, which traditional financial literacy programs fail to address (Cuddy, 2019). By focusing on this group, this paper contributes to the broader financial literacy literature by emphasizing the need for adaptable financial strategies that can help individuals in similar professions.

Proposing a Solution to Irregular Income Challenges

Entertainers often experience periods of high income followed by lean periods with little to no earnings, making it difficult to adhere to conventional financial advice centered around stable monthly paychecks (Dvorsky, 2018). This paper proposes a solution to this challenge by integrating financial strategies that accommodate income irregularity, such as allocating a percentage of high earnings to savings and investments, as well as emphasizing liquidity for periods of reduced income. This approach is informed by existing studies on financial management in the gig economy, but it is adapted specifically for entertainers (Schlesinger & Frydman, 2017).

The framework also highlights the importance of long-term financial planning, including retirement savings and tax planning, which are often neglected by entertainers due to the immediate focus on managing irregular income. By providing a comprehensive framework that accounts for both short-term financial needs and long-term financial goals, this paper offers practical strategies that entertainers can apply to achieve financial stability.

Application in the Malaysian Entertainment Industry

Another important contribution of this paper is its contextualization within the Malaysian entertainment industry. While financial literacy frameworks exist globally, few are tailored to the specific cultural and financial systems in Malaysia. This paper adapts the broader concepts of financial literacy to suit the local context, taking into account the unique financial products, tax systems, and financial challenges specific to Malaysian entertainers. This localization ensures that the framework is both practical and relevant to the target group.

The framework developed in this paper can be applied in a variety of settings within the Malaysian entertainment industry. For example, it could be used by professional associations representing entertainers, financial institutions developing targeted financial products, or even government agencies involved in promoting financial education. Additionally, the proposed framework can serve as a foundation for developing financial literacy training programs, workshops, and digital tools designed specifically for entertainers in Malaysia.

In summary, this paper makes several important contributions to the field of financial literacy by filling research gaps, offering practical solutions to the challenges posed by irregular

income, and proposing a tailored framework for entertainers in Malaysia. As the Malaysian entertainment industry continues to grow, the financial well-being of its professionals will become increasingly important. The financial literacy framework presented in this paper not only addresses immediate financial concerns but also provides a pathway to long-term financial security, making it a valuable contribution to both academia and practice.

Conclusion

The conceptual paper "Beyond the Spotlight: Developing a Comprehensive Financial Literacy Framework for Malaysian Entertainers" addresses a critical gap in financial literacy research by focusing on a niche yet increasingly important professional group. Entertainers, particularly those in Malaysia, face distinct financial challenges due to the irregular and often unpredictable nature of their income. Traditional financial literacy frameworks, which are designed for individuals with stable earnings, fail to provide solutions that meet the specific needs of entertainers. This paper proposes a comprehensive framework that incorporates both practical financial strategies and behavioral insights to empower entertainers to manage their finances effectively.

By grounding the framework in the Financial Capability Approach and the Behavioral Life-Cycle Hypothesis, the paper integrates both structural and psychological aspects of financial decision-making. It highlights the importance of long-term financial planning, tax compliance, and retirement preparation, while also providing practical solutions for managing short-term cash flow irregularities. Moreover, by localizing the framework to the Malaysian context, this paper ensures that the strategies proposed are relevant and applicable to the financial realities of Malaysian entertainers.

This study makes a significant contribution to the field of financial literacy by offering a tailored solution to an underserved group. Future research can build on this conceptual framework by empirically testing its applicability and effectiveness, potentially leading to the development of financial literacy programs and policies designed to support entertainers. The proposed framework not only empowers entertainers to achieve financial stability but also promotes the long-term sustainability of the Malaysian entertainment industry.

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