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# Personal Saving Behavior among Muslim Employees

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**Abstract**
People who are able to save more have less financial stress and are able to enjoy good quality of life. Due to rising inflation rate and volatile economy of Malaysia, Malaysians are encouraged to save money. A survey by Bank Negara Malaysia indicates that the level of financial literacy among Malaysian is underwhelming. The statistical shows that 75% of the respondents have trouble raising RM1,000 cash during emergency. Malay is more financially fragile on financial matters. Hence, this study is conducted to assess the factors that influence saving behavior among Muslim employees. Based on a sample of 531 respondents, the findings reveal that family background, attitude, financial literacy and locality have significant relationship to saving behavior. Meanwhile, religiosity, household income, age and level of education are not significantly related to saving behavior. Strategies for enhancing financial soundness for rural districts should be emphasized. The government is strongly encouraged to organize more financial education workshops to such group of people to enhance their level of awareness on financial management. Ultimately, this study is considered one of the studies that have contributed to the literature by developing apprehensions of saving behavior.
**Keywords:** Saving Behavior, Family Background, Attitude, Financial Literacy, Locality, Religiosity

**Introduction**
A person's ability to manage his money is essential to being successful in life. Financial management has been identified as the main determinant of one's financial well-being (Shahnaz & Saleh, 2013). For people who are able to save more, the level of their personal disposable income will increase in the future. In addition, they have less financial stress and are able to enjoy good quality of life. Due to rising inflation rate and the economic volatility in Malaysia, Malaysians are encouraged to save money. Most people who have practiced saving money during these complacent and hard times are more likely to survive in the future.

A survey by Bank Negara Malaysia indicates that the level of financial literacy among Malaysians is underwhelming. The statistics shows that 75% of the respondents have trouble raising RM1,000 emergency cash (Wong, 2017). Previous studies indicated that Malays are more financially fragile (Selamah, 2019) and less knowledgeable on financial matters (Khan, Tan & Gan, 2019) as compared to the Chinese. It indicates a worrying sign of saving practices among Malaysian citizens, particularly the Muslims. If this scenario remains the same, it will bring a negative impact to the country's economy and its citizens. The cases of state bankruptcy, individual bankruptcy, bank debt and debt from other moneylender companies will eventually increase.

Based on the statistical data from the Department of Insolvency, there were 292,086 active bankruptcy cases remain unresolved as of February 2017. Out of the total number of bankruptcy cases, Selangor recorded the highest number of bankruptcy cases in the country with 70,817 cases (Aedi, 2017). The data showed that 59% of the bankruptcy cases in Malaysia involved individuals aged between 25 and 44. The personal loans and hire purchase loans for vehicles were among the main reasons for people going bankrupt in Malaysia (Aedi, 2017). Therefore, the public should learn to live within their means.  Debt must be avoided as it can be overwhelming. The habit of saving is essential for emergencies and survival in life. Financial management has been identified as the main determinant of one's financial well-being (Shahnaz & Saleh, 2013), which in turn, is influenced by other major factors, such as past experiences, influence of financial socialization agents, financial knowledge and demographic characteristics. Therefore, the objective of this study is to examine the factors that influence saving behavior among Muslim employees.

**Literature Review**
**Saving Behavior**
Islam encourages the ummah to have proper financial management in which to lessen debt taking and to have investment for the future.  In the Holy Quranic verse 12:47-49, the God Almighty (Allah) says in this regard where Yusuf said: "For seven consecutive years, you shall sow as usual and that (the harvest) which you reap you shall leave in ears, (all) – except a little of it which you may eat.  Then will come after that, seven hard (years), which will devour what you have laid by in advance for them, (all) except a little of that which you have guarded (stored). Then there will come after that a year in which people shall have rain and in which they shall press (grapes)".  From the verse, Muslim is encouraged to work hard, save wisely and consume efficiently without being lavish.

There are few types of people in saving; some individuals only save if there was money left in their pockets and some choose to save actively by keeping the money aside once they receive the money. It indicates the seriousness of a person in saving money (Tonsing & Ghoh, 2019).

**Family Background**
Background of the family is one of the factors that influence individual saving behavior (Bona, 2018; Jamal Mohammed, Madya Salniza & Sany Sanuri, 2018). Those who are from wealthy families are more likely to do savings with family's support. Those with lower parents' income are more likely to have less saving due to poor source of saving (Firmansyah, 2014). The priority is helping the family to have a better life rather than saving money.

Family background is associated with family motivation and experience whereby it may nurture good habit in children's behavior (Firmansyah, 2014). The children need to be taught and given hands-on experience on financial management particularly on savings, consumers and investors. Besides, parents' education level may influence the financial literacy of the children (Potrich, Vieira & Kirch, 2015).

On the other hand, children do not consider savings as something that is necessary when they have high dependency on their parents. They assume that the parents will buy the things that they want, thus they are more likely to save less (Tonsing & Ghoh, 2019).

**Religiosity**
Religion provides a set of principles ingrained within our daily activities. Religious values shape an individual's emotional experience, and psychological well-being, which in turn, affect the individual's decisions and actions (Agarwala, Mishra & Singh, 2019).

The religious practice of Islam which literally means "to submit to God" is based on the Five Pillars. All members of the Islamic community must adhere to these Five Pillars. According to the Messenger (peace and blessings of Allah), the Five Pillars consists of the profession of faith (*shahadah), praying five times a day, giving of alms (zakat), fasting during the month of Ramadhan, and performing pilgrimage to Mecca for those with health ability and sufficient financial (al-Bukhari, no. 8; Durrani, Hankir & Carrick, 2018).*

Religious individuals often have low materialistic tendencies. Their preferences are not for expensive items and luxury brands (Arli, Cherrier & Tjiptono, 2016). They prefer less consumption of physical goods (Stillman, Fincham, Vohs, Lambert & Phillips, 2012) and tend to be rationale in every purchase that they do (Veer & Shankar, 2011). They are very careful with their spending and it gives more advantage to their saving (Abdullah & Abd. Majid, 2003). The emphasis for thrift has been decreed by Allah SWT in a verse, "Verily spendthrifts are brothers of the Evil Ones; and the Evil is One is to his Lord (himself) ungrateful" (Surah Israa, 17:27). Thus, this study proposes that individuals with strong religious values have higher well-being, in which leads to high level of savings.

**Attitude**
Attitude refers to individual feelings or opinion about something that influences his/her actions. Individual who perceived savings as a good thing to do is more likely to have more saving and do not give in to the temptation to spend (Tonsing & Ghoh, 2019). Those who perceive savings as difficult tends to save less. They only save whatever is left after they spend.  The individual intention is influenced by the individual behavior and attitude. If the individual considers that saving behavior is important and he/she has positive attitude towards such behavior, it is more likely to increase the intention to act on saving (Lopes, Khalid, Rodriguez & Avila Filho, 2019).

**Financial literacy**
Financial literacy is the "knowledge and understanding of financial concepts and risks, and the skills, motivation and confidence to apply such knowledge and understanding in order to make effective decisions across a range of financial contexts, to improve the financial well-being of individuals and society, and to enable participation in economic life" (OECD, 2014).

Those who have better financial literacy and saving behavior are negatively related to financial problems (Fazli & MacDonald, 2010). They are able to understand the mechanisms to save money and the consequences of not having any savings. Besides, having sound financial literacy creates more awareness and the ability to plan where the money should be spend on necessarily (Tonsing & Ghoh, 2019). They are also able to create more income by having several investment activities (Fazli & Eugene, 2019).

**Household Income**
Income refers to the amount of money that someone receives in exchange for providing goods or services. Household income refers to total income from the people living together in a particular household. Most savings is done by those with high salary (Morgan & Trinh, 2019; Delafrooz & Paim, 2011) and lack of savings could be a problem for the poor (Amaglobeli, et al., 2019).

**Age**
Age is referred to the length of lifespan. Individuals are more likely to save during their working years (Amaglobeli, et al., 2019). The middle-aged groups tend to have positive savings. Meanwhile, younger and older groups will have negative savings (Poon & Hon, 2015). A longer period of working increases the salary and it gives a positive effect on the amount of savings. However, as the age getting older, everyone will quit from his/her job and the amount of savings will be lesser (Remble, et al., 2014).

**Education Level**
Level of education refers to the progression from very elementary to a more complicated learning experience.  Education may influence someone's behavior (Chiang, Fang, Kaplan & Ng, 2019). Individuals with high level of education are more likely to be able to spend and save money as a

result of knowledge in education (Mandell & Klein, 2009). Education is very important in raising the level of self-awareness to inculcate savings behavior (Son & Park, 2019).

## Locality
Locality refers to the location of residence which may influence saving behavior. The location can be categorized based on rural and urban area (Morgan & Trinh, 2019; Abid & Afridi, 2010). Those who live in rural areas are more likely to have more savings due to low consumption (Abid & Afridi, 2019). Nevertheless, those who live in urban area have easy access to education and information on financial management and investments. Therefore, urban residents have better financial literacy that gives positive impact on saving decisions. People living in rural areas tend to have lower financial knowledge (Morgan & Trinh, 2019).

## Methodology
## Data and Sample
This paper aims to identify the factors that influence saving behavior among Muslim employees. The research methodology employed a quantitative, survey based study (Son & Park, 2019; Tonsing & Ghoh, 2019; Jamal Mohammed, Salniza & Sanuri, 2018).

In this research, the self-administered questionnaires were randomly distributed to the Muslim employees in Selangor. Selangor is located in the southwest coast of Peninsular Malaysia. The population of Selangor is estimated to be more than 9.5 million in 2019. The respondents are from public agencies and private sector. The researcher has approached the respondents from nine different districts in Selangor namely Gombak, Hulu Langat, Hulu Selangor, Klang, Kuala Langat, Kuala Selangor, Petaling, Sepang and Sabak Bernam so that the data collected are easily gathered based on the disproportionate stratified sampling. The total returned questionnaire is 539. Out of these, eight questionnaires were incomplete leaving 531 as the usable questionnaires.

## Measurements
All items intended to measure the variables in this study were adopted from previous validated instruments. The construct of saving behavior is adapted from Mandell and Klein (2009). It is measured using 4-point Likert scales, ranging from "I make effort to save money every month" to "I hardly ever save money".

Regarding family background, the statements were adapted from Firmansyah (2014). The statements include "My parent educate me on how to save money (F1)", "My parent is very careful in spending their own money (F2)", "During my childood, my parent gives reward every time I manage to save money (F3)" and "My parent is my example when it comes to money management (F4)".

In relation to the religiosity, research by Syed, Rohani, & Badrul, (2011) was used. Seven statements were adopted namely "I pray five time a day (R1)", "I fast regularly in the month of Ramadhan (R2)", "I pay zakat every year whenever I fulfill the prescribed criteria (R3)", "I follow Islamic injunctions in all matters of my life (R4)", "I feel sad if I did not read/recite the alQuran every day (R5)", "I always try to avoid minor and major sin (R6)", and "I always keep myself away from earning through haram (R7)".

The attitude statements are adopted from Bona (2018). There are seven statements namely "I set aside money in advance for the things I want to buy (A1)", "I am self-disciplined in saving a portion of money from my salary (A2)", "I spend less of what I have (A3)", "I keep record of my expenses (A4)", "I always spend money wisely (A5)", "I do not borrow money from my friends (A6)" and "I focus on spending on my needs rather than on what I want (A7)".

With regards to financial literacy, there are six statements which adapted from Mohamad Fazli and McDonald (2010). The statements are "I have sufficient knowledge on how to invest my money (L1)", "I am able to manage my credit card usage (L2)", "I am able to prepare my own monthly budget (L3)", "I understand of my financial needs during retirement (L4)", "I have knowledge in calculating my saving interest (L5)" and "It is a must for me to put aside some saving from my monthly salary (L6)".

The construct for family background, religiosity, attitude and financial literacy are measured on a Likert scale ranging from "strongly disagree" to "strongly agree".

With regards to household income, the item is divided into four groups of salary: less than RM3,001, between RM3001 and RM5,000; between RM5,001 and RM7,000, and  more than RM7,000. Age is measured by using continuous measurement. Meanwhile, the level of education is divided into six groups: (i) SPM and below; (ii) Matriculation/STPM; (iii) Diploma; (iv) Degree; (v) Master/PhD; and (vi) no formal education.

Locality is measured based on the districts in Selangor; (i) Gombak; (ii) Hulu Langat; (iii) Hulu Selangor; (iv) Klang; (v) Kuala Langat; (vi) Kuala Selangor; (vii) Petaling; (viii) Sepang; (ix) Sabak Bernam. There are twelve local authorities in Selangor as shown in Table 3.1. The local authorities are divided into three categories, namely, City Council (*Majlis Bandaraya*), Municipal Council (*Majlis Perbandaran*) and District Council (*Majlis Daerah).*

**Table 3.1**
*Local Authorities in Selangor*

| City Council | Municipal Councils | District Council |
|---|---|---|
| Petaling Jaya City Council | Ampang Jaya Municipal Council | Hulu Selangor District Council |
| Shah Alam City Council | Kajang Municipal Council | Kuala Langat District Council |
| | Klang Municipal Council | Kuala Selangor District Council |
| | Selayang Municipal Council | Sabak Bernam District Council |
| | Sepang Municipal Council | |
| | Subang Jaya Municipal Council | |

Source: http://www.epbt.gov.my/

The categories are based on the following characteristics:

**City Council**

The annual income is more than RM20 million and the population exceeds 100,000 residents.

**Municipal Council**

The Municipal Councils serve more urbanized areas and collect more revenue as compared to District Councils. The annual income is more than RM5 million and the population exceeds 100,000 residents.

**District Council**

The District Councils serve more rural areas. The residents is less than 100,000 and annual income is less than RM5 million.

In determining whether the districts fall under rural or urban area, the researchers used the total revenue collected by local authorities from every district. The districts can be categorized into either rural or urban based on the above-mentioned council characteristics as presented in Table 3.2.

**Table 3.2**
*Categories of Districts*

| Urban | | Rural | |
|---|---|---|---|
| **District** | **Council** | **District** | **Council** |
| Petaling | Petaling Jaya City Council/ Subang Jaya Municipal Council/ Shah Alam City Council | Hulu Selangor | Hulu Selangor District Council |
| Klang | Klang Municipal Council | Kuala Langat | Kuala Langat District Council |
| Sepang | Sepang Municipal Council | Kuala Selangor | Kuala Selangor District Council |
| Gombak | Selayang Municipal Council | Sabak Bernam | Sabak Bernam District Council |
| Hulu Langat | Ampang Jaya Municipal Council/Kajang Municipal Council | | |

Thus, it can be concluded that Hulu Selangor, Kuala Langat, Kuala Selangor and Sabak Bernam are categorized under rural areas. Meanwhile Petaling, Klang, Sepang, Gombak and Hulu Langat represent urban areas. Therefore, for the purpose of analysis, respondents who live in rural area were coded as 1, otherwise 0.

**Results**
**Descriptive statistics**
Profiles of the respondents are summarized in Table 3.3. In this study, Petaling district represents the highest respondents with 173 (32.6%), followed by the Klang with 112 (21.1%). Most of the respondents are from urban area with 311 (58.6%). In terms of employment, majority of the respondents work in private sector. The data shows that 370 (70.0%) respondents are from private sector and 161 (30.0%) respondents work in government sector.

The result indicates that majority of the respondents hold bachelor degree with 261 (49.2%) followed by diploma with 131 (24.7%). In terms of marital status, 272 (51.2%) respondents are married while 259 (48.8%) are single. With regards to savings, more than 90% of the respondents do keep their money as savings. Only 50 (9.4%) respondents have no monthly savings.

**Table 3.3**
*Respondents Profile (N=531)*

| Characteristics | | Frequency | Percentage (%) |
|---|---|---|---|
| Locality | Gombak | 67 | 12.6 |
| | Hulu Langat | 85 | 16.0 |
| | Hulu Selangor | 17 | 3.2 |
| | Klang | 112 | 21.1 |
| | Kuala Langat | 14 | 2.6 |
| | Kuala Selangor | 31 | 5.8 |
| | Petaling | 173 | 32.6 |
| | Sepang | 26 | 4.9 |
| | Sabak Bernam | 6 | 1.1 |
| | | | |
| Urban/Rural | Urban | 311 | 58.6 |
| | Rural | 220 | 41.4 |
| | | | |
| Employment | Government | 161 | 30.0 |
| | Private | 370 | 70.0 |
| | | | |
| Level of Education | SPM and below | 60 | 11.3 |
| | Matriculation/STPM | 21 | 4.0 |
| | Diploma | 131 | 24.7 |
| | Degree | 261 | 49.2 |
| | Master/PhD | 57 | 10.7 |
| | No formal education | 1 | 2 |
| | | | |
| Marital status | Single | 259 | 48.8 |
| | Married | 272 | 51.2 |
| | Widowed | 0 | 0.0 |
| | | | |
| Household income | Less than RM3,001 | 220 | 41.4 |
| | RM3001-RM5,000 | 125 | 23.5 |
| | RM5,001-RM7,000 | 72 | 13.6 |
| | More than RM7000 | 114 | 21.5 |
| | | | |
| Saving amount (monthly) | No saving | 50 | 9.4 |
| | RM1-RM49 | 34 | 6.4 |
| | RM50-RM199 | 142 | 26.7 |
| | RM200-RM499 | 160 | 30.1 |
| | RM500-RM999 | 72 | 13.6 |
| | RM1,000 and above | 73 | 13.7 |

Most of the Muslim employees often practice the act of saving money. The mean score for saving behavior is 3.42, in the range between 1 and 4. It indicates that the awareness and habits of saving money have been inculcated in everyone's life.

Table 3.4 presents the descriptive statistics for family background, religiosity, attitude and financial literacy. With regards to family background, the result shows that the item "My parents are very careful in spending their own money" is rated the highest with a mean of 4.17. Furthermore, the result shows high agreement on all of the statements in relation to religiosity with a mean value in the range between 4.90 and 4.09. In relation to attitude, the employees do have positive attitude towards saving behavior. The item "I do not borrow money from my friends" has the highest mean with 4.18. The result for financial literacy shows the mean value is between 3.29 and 4.03.

**Table 3.4**
***Descriptive Statistics for Family Background, Religiosity, Attitude and Financial Literacy***

| Variables | Mean | SD | Range |
|---|---|---|---|
| **Family Background** | | | 1-5 |
| My parent educate me on how to save money | 4.1525 | 0.8930 | |
| My parent is very careful in spending their own money | 4.1751 | 0.8607 | |
| During my childhood, my parent gives reward every time I manage to save money | 3.0621 | 1.2216 | |
| My parent is my example when it comes to money management | 3.8945 | 1.0334 | |
| | | | |
| **Religiosity** | | | 1-5 |
| I pray five time a day | 4.6328 | 0.7234 | |
| I fast regularly in the month of Ramadhan | 4.9002 | 0.3678 | |
| I pay zakat every year whenever I fulfil the prescribed criteria | 4.7006 | 0.7182 | |
| I follow Islamic injunctions in all matters of my life | 4.4614 | 0.7597 | |
| I feel sad if I did not read/recite the Al-Quran everyday | 4.0942 | 0.9469 | |
| I always try to avoid minor and major sin | 4.4576 | 0.7645 | |
| I always keep myself away from earning through haram (prohibited) means | 4.7269 | 0.6664 | |
| | | | |
| **Attitude** | | | 1-5 |
| I set aside money in advance for the things I want to buy | 3.7363 | 1.1983 | |

| | | |
|---|---|---|
| I am self-disciplined in saving a portion of money from my salary | 3.6196 | 1.0029 |
| I spend less of what I have | 3.8041 | 1.0221 |
| I keep record of my expenses | 3.1883 | 1.2658 |
| I always spend money wisely | 3.6930 | 0.9506 |
| I do not borrow money from my friends | 4.1864 | 1.1365 |
| I focus on spending on my needs rather than on what I want | 4.1205 | 0.9319 |
| | | |
| **Financial Literacy** | | 1-5 |
| I have sufficient knowledge on how to invest my money | 3.3785 | 0.9856 |
| I am able to manage my credit card usage | 3.6535 | 1.2055 |
| I am able to prepare my own monthly budget | 3.7401 | 1.0408 |
| I understand of my financial needs during retirement | 4.0226 | 0.9553 |
| I have knowledge in calculating my saving interest | 3.2938 | 1.1177 |
| It is a must for me to put aside some saving from my monthly salary | 4.0358 | 1.0078 |

**Multiple Regression Analysis**

The test on coefficient of regression model is needed to evaluate the significance and the strength of every single independent variable upon dependent variables.  The p-value corresponding to each independent variable is to determine whether the variable is significantly related to the dependent variable or vice versa. In this study, multiple regression analysis is employed to test further on the factors that influence saving behavior using the regression model (refer Table 3.5).

**Table 3.5**
**Regression Model Summary Statistics**

| Predictors | B | SE | t-statistics |
|---|---|---|---|
| Constant | 0.798 | 0.374 | 2.134** |
| Family background | 0.187 | 0.054 | 3.453*** |
| Religiosity | 0.122 | 0.086 | 1.418 |
| Attitude | 0.138 | 0.068 | 2.028** |
| Literacy | 0.179 | 0.071 | 2.517** |
| Household Income | 0.065 | 0.042 | 1.536 |
| Age | -0.006 | 0.005 | -1.294 |
| Level of education | 0.052 | 0.036 | 1.456 |
| Locality | 0.131 | 0.077 | 1.695* |
|  |  |  |  |
| R square ($R^2$) |  | 0.165 |  |
| Adjusted R-squared |  | 0.152 |  |
| F statistic |  | 12.906 |  |
| Significance F |  | 0.000 |  |

***, **, * indicates regression analysis is statistically significant at 1%, 5%, 10% respectively

The results in Table 4.9 show that out of eight independent variables, four variables which are family background, attitude, literacy and locality have significant relationship to saving behavior. The coefficient of family education is significant at 1% level of significance. Meanwhile attitude and financial literacy are positively related to saving behavior at 5% level of significance. With regards to area of living, the urban area is positively related to saving behavior at 10% significance level. Nevertheless, the results demonstrate that religiosity, household income, age and level of education are not significantly related to saving behavior (p > 0.1).

**Discussion and Conclusion**
This study seeks to determine the factors that influence saving behavior.  An analysis on 531 Muslim employees in Selangor generated interesting results. The results show that family background, attitude, financial literacy and locality did influence saving behavior.

With regards to family background, the finding is consistent with Mohammed, Salniza and Sanuri (2018). The encouragement and motivation from the parents will nurture good habits in children's behavior. Besides, children may inherit the attitude and behavior of their parent and this will certainly influence their financial management when they grow up.

The result shows that attitude does influence saving behavior. This result is similar to the research done by Mohammed, Salniza and Sanuri (2018). It shows that those who spend less on unnecessary items, consistently record their expenses, put effort to save money and spend wisely are more likely to have good saving behavior.

The finding also shows that financial literacy has a positive effect on saving behavior. It shows that those with financial knowledge have the ability and appropriate skills in making sound financial decisions. The result is consistent with the research done by Son and Park (2019). Regarding the location of residence, the study demonstrates that those who live in rural areas are more likely to have less saving. Most of the people who live in rural areas are middle income and low income earners. They have high number of unemployed people, lack of employer who sponsored their retirement plan, lack of motivation and awareness as well as lack of credit access (Mauldin, Henager, Bowen & Cheang, 2016; Heckman & Hanna, 2015). Thus, such scenarios contribute to less saving habit for the people in rural areas.

Nevertheless, this study finds insignificant relationship between religiosity and saving behavior. The result is contradicted with research done by Abdullah and Abd. Majid (2003) which found positive relationship between religiosity and saving behavior. From the result of this study, it can be assumed that those who are pious prefer to give sadaqah since they believed that the rewards of sadaqah will keep flowing even though the donor is no longer in this world (Faliza, Adam, Basri & Abd. Majid, 2019). They give charity as a reflection of saving in which the returns await them in this life and hereafter.

From the study, result indicates that the relationship between household income and saving behavior is insignificant.  The result is similar to previous studies that argued limited effect of income and effective personal finance (Son & Park, 2019; Aristide, Edouard, & Philippe, 2019). The increase in costs of living and stagnant level of wages contribute to less savings done by the people. Those who live in cities are more affected by the rising prices of house and rental. Besides that, the education and medical costs are also increasing. People have to spend large portion of their salary to cover such expenses, which give negative effects on their saving.

In addition, the relationship between age and saving behavior also shows insignificant result. Reason being, the younger and older people are burdened by the increase in costs of living. At the same time, younger generation prefers to spend on trendy fashions, foods and music. In order to cover all sorts of expenses, saving money is definitely not their main priority. The current scenario also leads to more people particularly among low income earners to work multiple jobs for more income (Hurwich-Reiss, Watamura & Raver, 2019).

The result demonstrates that the education level influences positively but not significantly to savings, and this is in line with most previous researches (Aristide, Edouard, & Philippe, 2019; Syed, Nigar & Ullah, 2017). It indicates that individual with a high level of education tends to work in good organizations and receive handsome pay. Some do afford to save a lot but some of them need to cope with various expenses, therefore limiting the amount of money they get to save.

This study offers feedback to employees, employers and regulators particularly the state government. Strategies for enhancing financial soundness for rural districts (Sabak Bernam, Kuala Selangor, Hulu Selangor, Kuala Langat) should be emphasized. The state government are strongly encouraged to organize more financial education workshops to such group of people. They should be taught on how to make the money grow, selection of good investments portfolios, calculation of dividends and other relevant financial knowledge.

Workshops on entrepreneurship should be conducted more frequently to inculcate the business culture among those who are unemployed and those who wish to increase their income. They should be taught on financial sources given by various institutions and business management.

The employers in Selangor should organize more lectures or workshops on financial management for their employees. This kind of program is essential in motivating all staffs to save money. Overall, this particular program is the right platform to provide understanding on the importance of savings, the possible uncertainties in life and benefits of effective financial management.

With regards to future research, it is possible to examine the effect of different income classifications towards saving behavior among private and government employees. Malaysians income is categorized into three different income groups, namely; B40, M40 and T20. The income groups represent percentages of the country population of bottom 40%, middle 40% and top 20% respectively. In conclusion, a study that compares different income groups and saving attitude is appropriate to be conducted.

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