

FINANCIAL WELL-BEING AMONG MAIN ETHNICITIES IN MALAYSIA

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Abstract

Financial stability is an important aspect in the well-being of individual or families. One could be said to be financially well based on their perception or some objective measures, hence being financially stable. The study seeks to find out the differences in financial well-being among the main ethnicities in Malaysia using several measures of financial well-being. Apart from that, Malaysian Personal Financial Well-being was validated using established subjective measures. Financial well-being was measured subjectively and objectively using scales for financial satisfaction, financial problem, Malaysian Personal Financial Well-being (MPFW) and financial ratios. Comparisons were made among the main ethnicities in Malaysia using t-test. Quota sampling was employed to gather data through questionnaire forms from 800 samples comprising of families. Analysis of the data revealed that Chinese families were more financially well as compared to the Malay or Indian based on the subjective measurements. However, Malay families were concluded as being more financially well compared to other ethnicities based on objective measures namely financial ratios. These findings provided evidence on the financial

well-being status among ethnicities. Hence, certain financial education could be targeted to specific ethnicities on certain identified aspects to elevate their financial status. The consistency of results using different subjective measures also validated the MPFW scale. Other measures may be used to determine the differences in financial well-being of families.

Keywords: Financial well-being, ethnicities, families

Introduction

Financial stability is an important aspect in the well-being of individual or families. An individual could be said to be financially well based on their perception or some objective measures, hence being financially stable. Knowing the financial well-being status of families is crucial for the well-being of the families as it contributes significantly to the overall well-being. Hence, valid measures of financial well-being are deemed important. Having performed better financial management, the possible outcomes are associated with improved objective financial status and subjective financial well-being. The improved objective financial status may be displayed by

