

PUBLIC WORKER'S PERSONAL FINANCIAL PLANNING PROCESS AND INVOLVEMENT IN COMPREHENSIVE FINANCIAL PLANNING

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Abstract

Workers with regular income especially high income should be able to plan well their finances. This study which focused on the extent of comprehensive financial planning performed by workers in public sector determined the likelihood of financially well individuals to involve in comprehensive financial planning. The financial planning processes performed by them were also identified. Eight ministries from a list of ministries situated in Putra Jaya, Federal Territory were selected randomly. A total of 310 completed self-administered questionnaires were collected through liaison officers in those ministries. Data gathered were on socioeconomic characteristics, financial knowledge, financial well-being, financial planning process and financial planning components. Data analysed using binomial logistic regression revealed that job category ($\exp(B) = 0.280$; $p = 0.007$), marital status ($\exp(B) = 0.352$; $p = 0.022$) and household income ($\exp(B) = 0.401$; $p = 0.027$) predicted the likelihood to involve in comprehensive financial planning. Those working as support staff, unmarried and earning low household income were more likely to become comprehensively financial planned. Being

financially well ($\exp(B) = 1.027$; $p = 0.005$) was more likely to predict involvement in comprehensive financial planning as opposed to doing financial planning process ($\exp(B) = 0.295$; $p = 0.0001$). Fitness of the model was justified with 34.2% explained variance in comprehensive financial planning and was being moderately correctly classified. To conclude, the results showed that those earning less were more prepared with comprehensive financial plan to lead them towards financial stability. However, public workers with higher income should not ignore the need to have a comprehensive financial plan.

Keywords: Financial stability, Public Sector, Worker, Financial Planning, Financial Well-Being

Introduction

Consumers having regular incomes are assumed to be able to make ends meet. Regular incomes enabled individuals to plan ahead of their finances. Allocations of income to various aspects of financial needs are believed to be crucial in satisfying consumer's needs, comprising of their short-term and long-term needs. As Malaysian household expenditure

