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Financial Health of Undergraduates in Malaysia: An Empirical Study on the Underlying Factors

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Abstract

This study aims to identify factors that influence the financial health of students in Universiti Kebangsaan Malaysia (UKM). Among the factors studied are financial socialization, childhood experience, financial literacy and academic qualifications. The sample of this study consists of a total of 173 students that were randomly selected. A questionnaire containing a Likert scale to measure each factor influencing the financial health of students was used as a research instrument and multivariate analysis was used to analyse the data. The results showed that financial literacy have a significant relationship on the financial health of students while financial socialization, childhood experience and academic qualifications had a non-significant relationship. In particular, students valued financial literacy to increase savings rates, obtain insurance, prepare retirement plans and use credit cards to achieve a high level of financial health. Lastly, we provide some recommendations on how to increase the financial literacy amongst young adults in Malaysia.

Keywords: Financial health; Financial socialization; Childhood experience; Financial literacy

JEL Classification: I31; I32

1. Introduction

The financial health of an individual is one of the indicators to measure the overall health of the individual's life. This is because financial health indicates a person's satisfaction with his or her financial position. The question of whether an individual's financial status is healthy or not is highly subjective in its nature. Someone who earns a high income is not necessarily financially healthy. Similarly, a person with a low income is not necessarily financially unhealthy. Therefore, financial health depends on how a person manages their own finances. In this increasingly challenging era of globalization, knowledge of financial management is vital as all dealings done involves finance. According to Abdul Rahman and Zulkifli (2016), money is defined as the most important asset to meet the needs and wants, especially of students in the face of increasingly challenging economic conditions. Therefore, students need to have a high level of financial management in line with the changing economic situation.

According to Aladdin and Ahmad (2017), the first year in university for students is a very critical transition phase where responsibility for their finances have shifted from their parents to the students themselves. At this time, students have full authority to manage their finances. This is because when students are in university, they have various responsibilities, specifically planning expenses, preparing budgets, have savings, etc. Therefore, efficient financial management is important so that they can achieve a good level of financial health. If students fail to plan financially then a financial crisis will ensue and their financial health will be affected. As an extension of that, the government as well as the private sector offers various facilities or financial resources to students such as loan and investment facilities. Here too they need in-depth financial knowledge to manage these resources effectively. In addition, in the process of achieving a good level of financial health, students can avoid from incurring excessive debt as well having a lot of savings.

According to statistics from the Malaysian Insolvency Department, the number of individuals declared bankrupt up to May 2020 was around 2,591 cases, however the number is estimated to multiply as banks are yet to include the latest data up to the end of the moratorium. Furthermore, Datuk Shabudin Yahaya, Deputy Minister in the Prime Minister's Department (Parliament and Law), stated that a total of 945 youths between the ages of 18 to 35 were declared bankrupt during the period from January to July 2020. Consequently, students are often considered a high-risk group in financial stability as they take out educational loans that will carry a large debt burden upon graduation. This may lead to delays in achieving the student’s financial goals. Furthermore, there are a handful of students who overspend using loan money. For example, 5% of students who receive an education loan, plan to buy a cell phone. Thus, students do not have sufficient knowledge and skills in managing their finances (Jariah et al., 2004). This proves how important financial management and financial health are in one's life especially among students. So, there are various factors influencing the financial health of students. The first factor that can influence it is financial literacy. According to Hussin and Rosli (2019), financial literacy is defined as the ability to understand their financial situation that affects the financial position of a particular individual by analyzing, managing and applying existing financial concepts.

The next factor is financial socialization. According to Setiyani and Solichatun (2019), financial socialization refers to the process of acquiring the skills, knowledge and attitudes of the internal and external environment necessary to maximize the role of consumers in the financial markets. Furthermore, financial socialization agents such as parents, peers and the media provide effective financial information on good financial management to achieve personal financial health. In addition, personal and family backgrounds may also affect a student’s financial health. This is because a person’s background will impact the future of that individual. The next factor is the childhood experience which is the experience gained by doing financial activities at a young age. Another factor that can affect a student’s financial health is academic qualifications. Many people believe that excellent academic results will make a person achieve a good level of financial health. Thus, the objective of this study is to identify which factors influence the financial health of students. This is very important because these factors will shape the financial management of students in the future. By knowing which factors are most influential, these factors can be improved and can help students to achieve a high level of financial health.

2. Literature Review

2.1 Financial health

According to Ahmad Mahmud and Rahman (2018) financial health refers to a way or concept that describes the financial position of an individual or family as well as job stability, increased cost of expenses, reduced debt burden in a business. According to Zaimah and Sarmila (2013) financial health was originally understood as a joy or satisfaction towards the financial situation. They also define financial health as the result of financial behaviors.

Based on the views of Zaimah and Sarmila (2016) financial health can be measured using several approaches. There are two approaches that are often used, namely objective and subjective measurement. Objective measurement is categorized as a quantitative measurement, i.e. an observation of an observable financial situation. Objective measurement can be achieved through studies on the consumption of goods, property, savings and socio-economic status. Apart from that, objective measurement can also be seen from demographic aspects such as income, number of children, marital status, home ownership, level in the financial life cycle and financial management practices. Next, the second approach is subjective measurement, which is more to the understanding of user behavior. This is because even though several individuals are in the same financial situation, everyone has a different view of their level of financial health. With this, it can be proved that the subjective measurement is closely related to the impression or perception of an individual's financial satisfaction.

Viewed from the perspective of financial health, Sabri et al. (2012) conducted a study on the relationship between personal and family background, academic qualifications, childhood experience, financial socialization, financial literacy and student financial health. The results of the study indicate that childhood experiences have contributed to the financial health of students. At the same time, financial socialization agents also increase the level of financial health of students and there is also a relationship between financial literacy and their financial health. In addition, Zaimah et al. (2016) report on the factors that influence the level of financial health of married workers in the public sector in Malaysia. The findings of their study showed that age, monthly income, home ownership, number of financial products, income contribution in the family, financial behavior and financial decision-making of husbands had a relationship with the level of financial health of married employees in dual-income families.

In addition, many students are experiencing stress due to not having good financial management practices. Students with serious financial problems come from low-income families or households in the B40 category, while students from middle-income families, M40, say that although they receive education loans from certain parties such as PTPTN or scholarships, however, the amount of funding is not sufficient to meet its needs. With this, it can be seen that the level of financial health of students is lacking (Abu et al., 2019). In reducing students' financial problems, financial management behaviors and practices play an important role. Factors influencing students' financial management practices are parental upbringing, self-control, financial experience and peer influence. Looking at the study of Azmi and Othman (2017), the level of financial behavior and education financing management practices among students in Institutions of Higher Learning is at a moderate level. Finally, the AKPK 2018 Financial Behavior survey (AFBes'18) states that the level of financial health among working adults in the country is still at a low level (Parzi, 2020).

2.2 Financial socialization

Financial socialization is defined as a process or way for the younger generation to gain the skills, knowledge and attitudes needed to act effectively in life. Researchers also state that the knowledge gained from financial socialization agents will enhance the ability and well-being of individuals. In a study on teenage financial behavior, identifying the factors influencing teenage financial behavior and financial socialization, financial behavior was influenced by financial socialization. The findings of the study show that teenagers have learned about financial management by interacting with parents and peers as well as the media.

If viewed in terms of the effectiveness of family financial socialization, financial socialization agents i.e. parents have a positive correlation on financial literacy, financial behavior and financial health. Accordingly, parental education also influences the quality of financial socialization (Zhao and Zhang, 2020). To further strengthen the statement, financial socialization is not only closely related to the financial health of the individual but also related to the mental and physical health of a person (LeBaron and Kelley, 2020). In addition, parental influence and self-discipline also have a positive correlation with a person's financial behavior. (Tang et al., 2015). At the same time, there is also the opinion that family background that impacts one's financial socialization affects only half of students' financial literacy (Longobardi et al., 2017). Therefore, there are some differences in each of the results of his study. With the discussion above, the below hypothesis is formed.

H1: Financial socialization and financial health have a positive relationship.

2.3 Financial Literacy

Previous researchers have found that financial literacy will affect a person's financial health. Hussin and Rosli (2019) define financial literacy as a person's ability to understand and apply financial concepts. A study conducted by Wahid and Zahari (2020) on the level of financial literacy among students at Universiti Kebangsaan Malaysia proves that UKM students have a moderate level of financial literacy. Consistent with this, Aladdin and Ahmad (2017) also reported the level of financial literacy of students but their study was more focused on gender and level of education. The results of their study showed that the level of financial literacy of students is also moderate, there is no difference in the level of financial literacy between men and women and the level of education also does not show a relationship with the level of financial literacy. There are several factors that influence financial literacy such as attitudes towards money, parental influence and financial education.

Next, financial education is the most influential variable of financial literacy that will help to improve one's financial health (Hussin and Rosli, 2019). If viewed in depth, parental income also impacts students (Radetic-Paic and Cerne, 2020). This can be evidenced in a study conducted by Nano and Istrofor (2017). Their study concluded that parental income influences students' financial literacy. If the level of literacy is high then the level of financial health of students is also high. In addition, male students who keep spending records or whose fathers are highly educated will have high levels of financial literacy (Philippas and Avdoulas, 2020).

When the level of financial literacy is high, students are able to cope with unexpected financial problems better. Furthermore, students from families with high financial resources are more financially literate compared to students with low financial resources (Mandell, 2008). This exacerbates the inequality of economic health between families. Therefore, financial literacy is a key factor for the financial health of students. Finally, the Financial Capability and Inclusion Demand Side Survey 2018 (FCI 2018) by Bank Negara Malaysia shows that the current level of financial literacy of Malaysians can be improved. Hence, the below hypothesis is formed.

H2: Financial literacy and financial health have a positive relationship.

2.4 Childhood experience

Additionally, childhood experience is also one of the factors that affect the financial health of students. Childhood experiences in discussing family finances with parents had a positive relationship with financial literacy. Notably, ethnic Chinese students living on campus and who attend private colleges have low levels of financial literacy (Sabri et al., 2010). Furthermore, childhood experience influences financial practices and ownership of financial assets in adulthood. The financial results obtained also vary according to the socialization of the parents. Specifically, students who have bank accounts and whose expenses are monitored by parents in childhood are more likely to own financial assets and have a more positive attitude toward their personal finances (Kim and Chatterjee, 2013).

According to a study conducted by Sabri and Macdonald (2010), students who have high financial knowledge acquire high savings habits and report low financial problems. Next, the relationship between childhood experience and financial socialization agents on savings habits and financial problems is highly correlated. So, this suggests that the financial experience gained before entering an educational institution may create bad habits or attitudes towards financial management and this problem can be reduced through financial education at university or college. Furthermore, Utkarsh et al. (2020) state that financial discussions with parents at an early age will affect the financial well-being of students. With the discussion above, the below hypothesis is formed.

H3: Childhood experience and financial health have a positive relationship.

2.5 Academic qualification

Academic qualifications such as having excellent results in studies also affect the financial health of students. Awareness of self-worth, financial education at home, and formal financial education in school are important for young adults to acquire knowledge of financial management, form good attitudes and behavioral intentions based on acquired knowledge. This area of finance, along with parental normative expectations and control of young adult behavior, is closely linked to their financial health. This also has a relationship with academic success and overall life satisfaction, as well as a person's physical and mental health (Shim et al., 2009). Furthermore, students' Cumulative Grade Point Average (CGPA) also had a positive relationship with financial literacy. Students who obtain excellent results are better in their personal financial management (Gunardi et al., 2017).

At the same time, the study of Soon et al. (2020) reported that academic performance is not a major determinant of obtaining employment after a graduate completes his or her studies. Excellent academic performance will only be beneficial if graduates work in low-paying jobs. This implicitly affects a person's financial health due to low salary and not being able to meet the necessities of life will create low financial health. On the other hand, there are also statements that financial problems or students from families with low financial health affect their academic performance (Abdul Rashid and Samat, 2018). This is because the income earned by the head of the family cannot cover the education of his or her children. Accordingly, the education of parents also affects the academic achievement of their children. Hence, the below hypothesis is formed.

H4: Academic qualifications and financial health have a positive relationship.

3. Data and Methodology

3.1 Sample

To find the factors that influence the financial health of students, an online survey was conducted. The study period was from 1 November to 30 November 2020. The respondents of this study are students of Universiti Kebangsaan Malaysia (UKM). Questionnaire form links (Google form) were sent to students via social media such as Whatsapp, Telegram and Instagram with periodic reminders to reach enough respondents. Participation in the survey was voluntary and student consent was obtained prior to the start of the survey. Furthermore, participants were also assured of the confidentiality of their responses. The respondent selection technique was done randomly and the number of respondents involved in this study was 173.

3.2 Instrument

The data of this study was collected using primary sources through questionnaires. According to Rahim and Rahim (2014), questionnaires are a more effective mechanism because respondents can be targeted to get better information. This statement is further reinforced by Badiozaman and Zuki (2017) who explain that questionnaires are the choice of most researchers because the cost to build a questionnaire is cheap and only takes a short time to complete. Researchers can also obtain large amounts of data quickly from respondents. The questionnaire for this study has been divided into three parts, namely part A for the demographics of students such as gender, age, year of study, place of origin, CGPA, parental income and so on. Part B and C have questions related to each factor that affects the financial health of students. In part A, the researcher has given a choice to the students where students have to choose from the answers given. For parts B and C, researchers have used a Likert scale of 1 to 5, 1 for strongly disagree and 5 for strongly agree. This form of scale is used because the likert scale is easy to use and understand and this also facilitates the respondents in the process of answering the questionnaire as well as smoothing the process of scheduling and data analysis (Harun et al., 2017).

3.3 Data analysis

SPSS has been used to analyze the data. Descriptive analysis was used to obtain frequencies for the demographic segment and the mean and standard deviation for each factor influencing the financial health of the students. Next, pearson correlation analysis was used to look at the relationship between the independent or independent variables. In addition, multiple regression analysis was used to look at the factors influencing the financial health of students. The multiple regression model has four independent variables namely financial socialization, financial literacy, childhood experience and academic qualifications. The model of the study is as follows:

Student's financial health = α + β1 Financial socialization + β2 Childhood experience + β3 Academic qualifications + β4 Financial literacy + ε

4. Result and Discussion

4.1 Descriptive analysis

In this study, a total of 173 responses were received. The demographic characteristics of the respondents are shown in Table 1. Among the 173 respondents, 34.70% were male and 65.30% were female and the majority of respondents, 52% were in the age category of 21 to 22 i.e. year 2 and year 3 students. Most respondents in this study were Indians numbering 80 respondents which equates to 46.20% and the minority of respondents were Malays, namely 31%. In addition, students from the Faculty of Economics and Management (FEP) and the Faculty of Engineering and Built Environment (FKAB) who are the majority of respondents in this study are 19.70% and 16.80% respectively and the researchers only obtained a few respondents from CITRA, 4%. At the same time, more than half of the students have excellent academic results of 61.80%.

In terms of payment of tuition fees, most UKM students have received loans from the National Higher Education Fund Corporation (PTPTN) and there are also 6 respondents who work part-time to pay their own tuition fees. Furthermore, many respondents were involved in financial activities when they were 18 years old and above after graduating from high school. Furthermore, in terms of parental education, most fathers have a relatively good educational background where 35.80% have a bachelor's degree and 35.80% have completed secondary school while 37.60% of mothers have completed secondary education. From this we can conclude that the father is more highly educated than the mother. Among the respondents there are 41.60%, namely 72 respondent families that earn a total income of more than RM5000 to RM10000. On the second tier, 55 respondents' families earned RM3000 to RM5000.

Table 1: Demographics of respondents

Features	Frequency	Percentage
Sex:		
Male	60	34.70%
Female	113	65.30%

Age:		
19-20	28	16.20%
21-22	90	52%
23-24	46	26.60%
>25	9	5.20%
Ethnicity:		
Malay	31	17.90%
Chinese	61	35.30%
Indian	80	46.20%
Others	1	0.60%
Place of origin:		
Urban	117	67.60%
Rural	56	32.40%
Faculty:		
FEP	34	19.70%
FST	12	6.90%
FSSK	11	6.40%
FPEN	25	14.50%
FKAB	29	16.80%
FUU	24	13.90%
FPI	17	9.80%
FTSM	14	8.10%
CITRA	7	4%
Year of study:		
Year 1	32	18.50%
Year 2	68	39.30%
Year 3	58	33.50%
Year 4	15	8.70%
CGPA:		
> 3.5	107	61.80%
> 3.0	50	28.90%
> 2.5	16	9.30%
Payment of tuition fees:		
Loan (eg: PTPTN)	129	74.60%
Scholarship	21	12.10%
Parents	17	9.80%
Part-time employment	6	3.50%
Age when involved in financial activities:		
7-12 years old	11	6.40%
13-17 years old	37	21.70%
>18 years old	125	72.30%
Father's education level:		
Masters	6	3.50%
Degree	62	35.80%
Secondary school	62	35.80%
Primary school	24	13.90%
Did not complete primary school	19	11%
Mother's education level:		
Masters	14	8.10%
Degree	50	28.90%
Secondary school	65	37.60%
Primary school	24	13.90%
Did not complete primary school	20	11.60%
Parent's income:		

> 10000	6	3.50%
5000 – 10000	72	41.60%
3000 – 5000	55	31.80%
1000 – 3000	36	20.80%
< 1000	4	2.30%

Next, Table 2 shows the mean and standard deviation of the factors influencing the financial health of students. Childhood experience has recorded the highest mean score of 3.8451. These findings explain that UKM students often discuss their finances with parents. At the same time, parents also discuss family expenses with their children. Next, they also have the practice of saving at a young age. Meanwhile, financial literacy recorded the lowest mean score of 2.7954. These findings indicate that UKM students have low financial knowledge and skills. Their involvement in investing, buying insurance, knowledge related to credit cards and on retirement plans is low. They still rely on parents to make decisions on their own finances. Furthermore, the financial preparation of students for the future was also found to be low. In addition, the financial literacy factor has the highest standard deviation of 0.9803 which indicates that the data is spread in large numbers or has a lot of variation while the financial socialization factor recorded the lowest standard deviation of 0.5524 meaning the data collected is around the mean. Compared to Sabri's (2017) study which focused on Nigerian students, financial socialization, mainly the role of parents, had the highest mean score of 15,815. With this, it is found that the factors influencing financial health will vary according to the location and background of the students.

Table 2: Mean and standard deviation of factors influencing student's financial health.

	Mean	Standard Deviation
Financial socialization	3.7734	0.5524
Childhood experience	3.8451	0.5907
Financial literacy	2.7954	0.9803
Academic qualifications	3.6416	0.7632

4.2 Pearson correlation analysis

Correlation analysis was performed to look at the relationship between several independent variables namely childhood experience, financial socialization, academic qualifications and financial literacy. Based on Table 3, it can be concluded that all four factors have a positive relationship with each other which explains that all factors move in the same direction. In detail, the factor of financial socialization with childhood experience for UKM students has the highest correlation value compared to the others which is 0.5632 followed by the correlation value for financial socialization with financial literacy, 0.5160. The results of this study indicate that financial socialization agents such as parents, peers, religion and the media have a moderate positive relationship with childhood experience and financial literacy. If the level of financial socialization is low then financial literacy and childhood experience is also low and vice versa. This is because parents guide and provide guidance to children in financial management since childhood.

Accordingly, when parents show positive financial behavior then they will be the role models for their children who will follow their attitudes and practices. In turn, peers and the media influence students' financial literacy. This is because students spend more time with peers than with parents while studying at university or college. So, students use peers as a source of reference in the selection and purchase of an item. In addition, most students are addicted to social media. As a result, they are attracted to online advertising which causes students to make costly purchases. Recognizing the above facts, these socialization agents are the basis for the increase or decrease of the literacy level of students and childhood experience.

In addition, the correlation between financial literacy and academic qualifications recorded the lowest value of 0.3260. Financial literacy and academic qualifications have a weak positive relationship because getting excellent results is less related to students' financial literacy. This is because the subjects studied by the students are not related to financial management or financial literacy except for the students from the Faculty of Economics and Management, but they can still manage their finances efficiently through the help of financial socialization agents or childhood experience. Furthermore, students who have a moderate or low CGPA may be wise in managing money and be able to increase their side income by investing or doing business. However, a high CGPA describes the ability of students to learn by the application of knowledge gained. Implicitly, this will help students to easily learn about personal financial management. So, achieving a high level of financial literacy is not just about getting high marks or CGPA even though it contributes a little to financial literacy.

Table 3: Pearson correlation.

	Childhood experience	Financial socialization	Academic qualifications	Financial literacy
Childhood experience	1			
Financial socialization	0.5632	1		
Academic qualifications	0.4338	0.3916	1	
Financial literacy	0.4036	0.5160	0.3260	1

4.3 Multiple regression analysis

Financial socialization, childhood experience, financial literacy and academic qualifications were tested using multiple regression analysis and the results were shown in Tables 3 and 4. Among the variables studied, financial literacy have a positive relationship with financial health of UKM students and the result is significant at 1% significant level. More specifically, an increase in student financial literacy on the scale of one will increase financial health by 0.7085 or 71%. For financial socialization, an increase on the scale of one will increase financial health by 0.1624 but the result is insignificant. For childhood experience, an increase on a scale of one will increase financial health by 0.0826 which is only 8%. However, the result is also not significant. For the fourth factor which is the academic qualification of students, an increase on the scale of one will increase the financial health by 0.1088 but the result if also insignificant. Therefore, the findings of this study differ from the findings of Sabri (2012) and Ullah (2020) who proved that childhood experiences such as saving practices, financial socialization agents especially parents and religion and financial literacy have a significant relationship with the financial health of students.

Overall, the results of the study only support the second hypothesis (H2) out of the four hypotheses constructed. The results of the study do not support the other three hypotheses namely on how financial socialization, childhood experience and academic qualifications may have a positive relationship with students' financial health. This could be because the journal or article referenced is an international study and focuses on one country only. So, the views of the community differed according to their own location, background and culture.

Furthermore, this study is only focused on UKM students and the sample size was relatively small at 173 respondents. Accordingly, this study also had more female respondents compared to males, which may or may not affect the results of this study.

According to the findings of the study, financial literacy influences the financial health of students. This is because the knowledge and financial skills acquired play an important role when a student enters university or college. At this time, students are independent and have the opportunity to manage their own finances. This situation illustrates that education on financial literacy and critical thinking skills has become a norm amongst society and students have realized that financial literacy is essential to achieve a high level of financial health. When students become financially literate, they will then avoid negative financial behaviors such as smoking, gambling and so on. They will also plan their own expenses. If they fail to plan, most likely they will not be able to cover basic expenses such as food, utilities and course materials and will then have to rely on parents again. In fact, situations often push students to spend money. For example, peer influence, social media and the increase in online purchases often distract students and this can be addressed with financial literacy.

Furthermore, the financial knowledge gained will help students to increase their savings rates by making savings continuously without wasting money buying items that exceed their needs. With this, students can also find out about taking adequate insurance for the benefit of themselves and their families. Accordingly, students will get to know about retirement plans and start preparations from the beginning by looking for institutions that offer interesting or beneficial plans. Then, financial skills will familiarize students with how to use credit cards effectively and at the same time, encourage students to invest to increase their side income while studying at university. As an extension of this, financial literacy also helps to reduce debt levels and increase asset accumulation rates. UKM students have understood this concept and proven that financial literacy influences their financial health.

Table 4: The coefficient value and the p-value for the factors that affect the financial health of students.

	Coefficient	p-value
Financial socialization	0.1624	0.3134
Childhood experience	0.0826	0.5679
Financial literacy	0.7085***	0.0000
Academic qualifications	0.1088	0.2797
Adjusted R Square	0.4464	
Observations	173	

*Notes: *** indicates p-value less than 0.01*

5. Conclusion

Today, it is important for students to understand the factors that affect their financial health due to the increasing number of individuals, especially the younger generation, being declared bankrupt. Finances are among the major issues that make their lives difficult and students are often considered a high-risk group in financial stability due to education loans that will carry a debt burden when they graduate. Understanding these factors will help students to manage their finances well so as to achieve a high level of financial health. The purpose of this study is to see which factors greatly influence the financial health of students. Among the factors studied were financial socialization, childhood experience, financial literacy and academic qualifications. Based on the results of the study, it was found that financial literacy greatly affects the financial health of UKM students compared to other factors. In other words, this study only supports the second hypothesis (H2) in the four hypotheses constructed. As noted, the results of this study differ from previous studies.

Next, because financial literacy has a significant relationship with the financial health of students, several steps need to be taken to improve their level of financial literacy. First, parents need to give children the opportunity to create their own cash budget with the money earned. Giving some guidance on money management since childhood will familiarize students with the concept of budgeting and saving practices. In addition, the government needs to increase personal finance education as a subject in schools as well as in universities. With this, it is possible to ensure that all students acquire financial knowledge without any barriers. For example, this measure can help students who have a weak financial background and they will use this financial knowledge to improve their financial stability. Furthermore, students need to be motivated to take online financial management courses and use various budget applications such as BNM My Tabung, Fast Budget and Pocketguard. These apps will help students to enter their income, set budgets and record expenses to track cash movements. This makes it easier for students to cut down on non-essential expenses. Furthermore, financial institutions in Malaysia need to organize programs such as the Financial Literacy Program to raise awareness on efficient financial management and provide guidance to spend money frugally and increase ancillary income. At the same time, students can find out about the schemes offered by banks related to savings and investments. By implementing these measures, the level of financial literacy increases along with the financial health of UKM students.

Finally, a study on financial health among students needs to be conducted throughout Malaysia to identify the real factors that influence their financial health. This matter should be taken seriously because financial health is closely linked to one's life satisfaction.

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