

Financial Wellbeing of Civil Servant in Community College: Gender and Age Comparison

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Abstract

Financial wellbeing is the reflection of the financial practices on how people manage their financial resources to obtain financial success in their life. Managing financial resources wisely has become a challenging task for many people including civil servants in Malaysia. Increasing cost of living, luxury lifestyle habits, high financial commitments and fluctuation of stress level, can lead to financial problems and difficulties, thus it may give impact to individual financial well-being as well as the employees' productivity generally. The purpose of this study is to discuss the financial well-being of public employee's in Malaysia. An online questionnaire has been posted through social media using convenient sampling technique. As a result, 58 people had responded to the questionnaire - a response rate of 63.7%. The result indicates that respondent at the age range of 31-45 years old reporting greater financial well-being than the other group of people. It is also found that females reported higher financial well-being compare to their male peers.

Keywords: *Financial well-being, financial resources, public employees*

Introduction

Financial wellbeing is one of the important factor determining the quality of life (Taft, Hosein, Mohammad, Mehrizi, & Roshan, 2013). Financial wellbeing is the reflection of the financial practices on how people manage their financial resources to obtain financial success in their life including retirement plans, financial planning, and credit as well as money management. Past studies have shown that financial practices positively related to financial wellbeing (Chan & Fah, 2010). Managing financial resources wisely has become a challenging task for many

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people including civil servants in Malaysia. Increasing cost of living, luxury lifestyle habits, high financial commitments and fluctuation of stress level, can lead to financial problems and difficulties, thus it give impact to individual financial well-being as well as the employees' productivity generally (Mokhtar, Husniyah, Sabri, & Talib, 2017; Nair, Paim, Sabri, & Rahim, 2016). Poor money management will not only affect individual's financial wellbeing and productivity, it also able to lead to bankruptcy problem. According to statistics by Malaysia Department of Insolvency (2016) the number of bankruptcy cases recorded from 2012 – 2016 was 101,958 cases. The number of cases was slightly increased from 19,575 in 2012 to 19,588 in 2016, where majority of them aged between 34 to 44 years old (34.85%). In addition, majority of them are male (69.34%). Subsequently, among the main reason for bankruptcy were car instalment (27.2%), personal loan (23.2%) and housing loan (19.11%). Surprisingly, the bankruptcy cases among civil servants were rocketing from 450 cases in 2012 to 1,093 cases in 2016.

Individual financial well-being and personal bankruptcy are two aspects that relate with each other and received consideration from many scholars and financial advisor. Poor financial well-being normally associates with poor financial management and may lead to bankruptcy problems. Selvanathan, (2016) in his study found that money management, financial literacy and non-performing loan are among the factors contributing to personal bankruptcy. Previous literatures also found that low level of financial literacy, poor financial management and skill, stress towards finances have influenced on individual financial well-being (Idris, Faique, Bakri, & Ismail, 2016; Mokhtar et al., 2017). Financial well-being issues can cause conflict among employees and able to affect productivity level of an employee, thus it may give impact on overall performance of an organisation and also at an aggregate level, it contributes to the efficiency and prosperity of the national economy (Ali, Rahman, & Bakar, 2015). This article aims to examine the relationship between age and gender toward financial well-being among civil servant in Community College in Kelantan. The finding from this article can be used by the management to organise an appropriate program and training especially related to financial management to facilitate the employees in handling their financial issues.

Literature Review

Financial well-being is a concept that being use to explain an individual or family financial situation where it initially being perceived as satisfaction towards financial situation (Mokhtar et al., 2017). Individual who achieve financial satisfaction can be described as a person that

being healthy, happy and free from financial worry. Hira and Mugenda (1998) defined financial satisfaction as satisfaction with one's income, ability to handle financial emergencies, amount of debt, level of savings, and money for future needs .

Demographic factors are among the predictors used to determine financial satisfaction and well-being. Past studies evidence that age (Hira & Mugenda, 1998; Munt, 2016; Sabri, 2011), gender (Chan & Fah, 2010; Hira & Mugenda, 2000), ethnicity (Sabri, Cook, & Gudmunson, 2012), level of education, marital status and income (Baek & Devaney, 2004; Joo & Grable, 2004; Zaimah et al., 2017) have an impact on financial well-being. Result from the studies show that those who are married, older, possess higher education level and high level of income showed a higher financial well-being.

Past researchers use different approaches to measure financial satisfaction variable. Among the approaches is subjective measurement including variables such as perception of past and future financial outcomes, perceptions of income adequacy and satisfaction with overall economic condition including debt, savings, and income. The concept of financial satisfaction has also been measured using several items as indicators or using just one item as an indicator, such as satisfaction with income, satisfaction with financial situation in general, or satisfaction with level of living (Hira & Mugenda, 1998). Hira and Mugenda (2000) also measured financial satisfaction using six subjective indicators including satisfaction with savings level, debt level, current financial situation, ability to meet long- term goals, preparedness to meet emergencies and financial management skills.

Method

Sample Description

Respondents in this study are civil servants of Community College in Kelantan including academic and non-academic staffs. Online questionnaires has been posted through social media (whatsapp group and telegram application) inviting them to participate in the study. As a result, 58 respondents participate in the study- a response rate of 63.7%.

Table 1: Total Community College’s Staffs in Kelantan

College	Number of Staffs
Pasir Mas Community College	28
Kok Lanas Community College	33
Jeli Community College	30
Total	91

Financial well-being measurement was being adopted from a study by Davtyan (2010) and Mokhtar et al.(2017) which comprises 12 items that measure their agreement towards their financial situation. The construct was represented four components, including:

1. Confidence in one's ability to handle a significant unexpected expense
2. Worry about being able to pay full credit card balance at the end of the month (reverse coded)
3. Worry about not having enough money to pay for one's own regular expenses (reverse coded)
4. Feeling in better financial condition than peers

The responses were recorded on a five-point Likert Scale ranging from 1 = Strongly Disagree to 5 = Strongly Agree. The questions have been modified according to the local context.

Result and Discussion

Based on the descriptive statistics, the respondents consist of male 21(36.2%) and female 37 (63.8%) with the total number of respondents are 58 person. Majority of the respondents are married (84.5%) and their age between 31- 45 years old (81%). Other than that, respondents’ education level varies from SPM/STPM to Postgraduate level and 29.3% are from Business/ Accounting background. All information on respondents’ demographic profile has been summarised in Table 2.

Table 2: Profile of the Respondents

Demographic Characteristics	Frequency	Percentage
GENDER		

<i>Male</i>	21	36.2
<i>Female</i>	37	63.8
AGE		
<i>30 and below</i>	5	8.6
<i>31 – 45</i>	47	81
<i>46- 55</i>	1	1.7
<i>56 and above</i>	5	8.6
MARITAL STATUS		
<i>Single</i>	8	13.8
<i>Married</i>	49	84.5
<i>Others</i>	1	1.7
EDUCATION LEVEL		
<i>SPM/STPM</i>	7	12.1
<i>Certificate</i>	3	5.2
<i>Diploma</i>	8	13.8
<i>Degree</i>	33	56.8
<i>Postgraduate</i>	7	12.1
EDUCATION BACKGROUND		
<i>Business/ Accounting</i>	17	29.3
<i>Non-Business/ Accounting</i>	41	70.7

Table 3: Financial Well-being Mean

Item	Statement	Mean
1	I am generally aware of how I spend my money	4.10
2.	If a significant unexpected expenses were to raise tomorrow, I have the money to cover it	3.76
3.	It is easy for me to get money to pay a financial emergency that cost RM 1,000	3.67
4.	I own at least one credit card	1.47
5.	I am aware of how much total credit card debt I currently have	3.81
6.	I am worry that I will not be able to pay my full credit card balance this month	3.81
7.	I worry that I won't have enough money to pay for my regular expenses	3.29
8.	I am aware of how much I'll have to pay on a monthly basis when I start paying my personal loan	4.28
9.	I think I am in a better financial condition that others at my age	3.38
10.	I wish I were better at managing my money	4.26
11.	I believe that I will be able to maintain a lifestyle that is as good as or better than that of my parents/ guardians	3.55
12.	I had never having trouble paying my monthly bills	3.66

Table 3 shows the mean score of financial well-being. Based on the result, generally most of the respondents agree that they are in a good financial situation. Most of the respondents feel that they have the confidence in their ability to handle a significant unexpected expense (mean

3.76 and 3.67 respectively). Next, statement regarding troubling paying regular expenses and credit card balance recorded mean 3.81. This shows that respondents having no problem in paying their bills and credit card balance. This finding is contrary from Mokhtar et al.(2017). On the other hand, statement regarding the awareness of spending money and paying monthly basis recorded the highest mean (4.10 and 4.28 respectively). This indicates that the respondents are good at managing their income and spending.

Table 4: Financial Well-being by Age

Age	Mean	Frequency
30 and below	3.46	5
31-45 years old	3.74	47
46-55 years old	3.44	1
56 and above	3.60	5

In this study, it reveals that perceptions of financial well-being also appeared to vary by age group, with respondents aged 31-45 years old reporting greater financial well-being than the other group of people. However, there is no significant relationship between financial well-being and age ($r=-.09$, $p=.473$).

Table 5: Financial Well-being by Gender

Gender	Mean	Frequency
Male	3.61	21
Female	3.75	37

A comparison of mean financial well-being scores revealed a statistical difference between male and female participants in the study. Specifically, females reported higher financial well-being with mean score of 3.75 compare to their male peers. On the other hand, test on correlation shows that there is no significant relationship between financial well-being and gender ($r=.178$, $p=.091$).

Conclusion

This paper presents an analysis of financial well-being among civil servant in Community College in Kelantan. 58 individuals including academic and non- academic staffs had

responded to the questionnaire. The questionnaire had been distributed through online media social. The measurement for questionnaire was being adopted from a study by Davtyan (2010) and Mokhtar et al. (2017) which comprises 12 items that measure their agreement towards their financial situation. Based on the statistical result, it shows that most of the respondents agree that they are in a good financial situation. This study is contrary with a study on civil servant in Selangor and Putrajaya by Mokhtar et al. (2017). Among the factor that contributed to this result is geographic factor. Studies have shown that there is a significant difference in the cost of living among different parts of the country as well as in urban and suburban area where the high cost of living in urban area may impact the people well-being (McMahon, 1991; Mok, Gan, & Sanyal, 2007).

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