

The effects of ethnicity, gender and parental financial socialisation on financial knowledge among Gen Z: the case of Sarawak, Malaysia

Financial
knowledge
among Gen Z

1349

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Abstract

Purpose – The purpose of this paper is to examine the relationship between financial socialisation experiences, socio-economic factors, demographic characteristics and the financial knowledge of first year undergraduate students.

Design/methodology/approach – Using a questionnaire, data were collected from a sample of 450 first year university students from both private and public universities. A multivariate regression method was adopted to examine the influence of financial socialisation among respondents of different ethnic groups and their social backgrounds on the individual's financial knowledge.

Findings – The findings indicate that: firstly, financial knowledge is low among first-year university students in Sarawak. Secondly, male respondents outperform female counterparts in terms of financial knowledge. Thirdly, parental financial socialisation remains the main source of financial knowledge among the students. Fourthly, there are significant differences in financial knowledge across ethnic groups.

Research limitations/implications – It is paramount to implement financial education programmes to elevate the financial literacy for both youth and parents since parents remain the primary source of financial socialisation for young adults.

Practical implications – The study suggests that financial knowledge varies according to gender and ethnicity. Hence, financial education programmes should be designed to accommodate the differences between groups based on ethnicity and gender to achieve the best outcome.

Originality/value – This is the first study that draws a representative sample of university students in Sarawak that examines the effects of ethnicity, gender and parental financial socialisation on financial knowledge among first year university students.

Keywords Malaysia, University students, Financial knowledge, Sarawak, Ethnic differences, Financial socialisation

Paper type Research paper

1. Introduction

Financial literacy has been defined as a combination of awareness, knowledge, attitudes and behaviour necessary to make sound financial decisions and ultimately, achieve individual financial well-being (OECD, 2005). In recent years, the importance of financial literacy has

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Ethics approval: The protocol of the study was approved by the ethics and committee of the corresponding author's institution. All procedures performed in studies involving human participants were in accordance with the ethical standards of the institution.

Informed consent: Informed consent was obtained from all individual participants included in the study.

Conflict of interest: The authors declare that they have no conflict of interest.

