

## **DETERMINANTS OF DEBT MANAGEMENT AMONG FRESH GRADUATES**

(Penentu Pengurusan Hutang di Kalangan Lulusan Ijazah)

NURUL ATAHSA SHAHIRA MASROM<sup>1</sup>, IFFATUL WIDAD MOHD FAUZI<sup>1</sup>, NURUL FAZIRA MOHD NAZRI<sup>1</sup>, MASNITA MISIRAN & ZAHAYU MD YUSOF

### *ABSTRACT*

Fresh graduates in Malaysia appear to be overwhelmed by money, falling into debt, and jeopardizing their financial contentment. In this study, we aim to identify the determinant of debt management among fresh graduates and the relationship between debt management and gender, ethnicity, education loan, car, saving ratio, debt to income ratio, and financial skills by using multiple regression analysis. Finding suggests that fresh graduates with good financial skills are more likely to have good debt management, and women are found to manage debt better than men, thus the need to include financial education at the university level to prepare this age group before they enter the job market.

*Keywords:* debt management; fresh graduate; financial skills

### *ABSTRAK*

Graduan lepasan ijazah di Malaysia masih dibelenggu oleh wang, terjebak dengan hutang sekaligus menjejaskan kepuasan kewangan mereka. Matlamat kajian ini adalah untuk mengenalpasti penentu pengurusan hutang di kalangan graduan lepasan ijazah dan hubungan antara pengurusan hutang dengan jantina, etnik, pinjaman pendidikan, kereta, nisbah hutang kepada pendapatan dan kemahiran kewangan dengan menggunakan analisis regresi berganda. Dapatan kajian mencadangkan bahawa graduan lepasan ijazah dengan kemahiran kewangan yang lebih baik berkemungkinan mempunyai pengurusan hutang yang baik, wanita didapati mampu menguruskan hutang lebih baik dari lelaki, justeru itu, adalah satu keperluan untuk memasukkan pendidikan kewangan di peringkat universiti untuk menyediakan kumpulan umur ini sebelum mereka memasuki pasaran pekerjaan.

*Kata kunci:* pengurusan hutang; lepasan ijazah; kemahiran kewangan

## References

- Antoni X.L., Dlepu A. & Notshe N. 2020. A comparative study of financial literacy among undergraduate commerce and arts students: A case of a South African University. *International Journal of Economics and Finance* **12**(2): 563-580.
- Athey S., Katz L.F., Krueger A.B., Levitt S. & Poterba J. 2007. What does performance in graduate school predict? Graduate economics education and student outcomes. *American Economic Review* **97**(2): 512-520.
- Bakar M.Z.A. & Bakar S.A. 2020. Prudent financial management practices among Malaysian youth: The moderating roles of financial education. *The Journal of Asian Finance, Economics, and Business* **7**(6): 525-535.
- Consumer Financial Protection Bureau. 2015. Financial well-being: The goal of financial education. <https://www.consumerfinance.gov/data-research/research-reports/financial-well-being/> (12 February 2021)
- Dewi V.I. & Barlian I. 2020. The relationship between financial literacy and risk profile among youth. *Frontiers Journal of Accounting and Business Research* **2**(01): 27-31.
- Kiliyanni A.L. & Sivaraman S. 2018. A predictive model for financial literacy among the educated youth in Kerala, India. *Journal of Social Service Research* **44**(4): 537-547.
- Khalid C.R.D.C.M., Sapiri H., Misiran M. & Yusof Z.M. System dynamics model for financial management among university students. *Proceedings of the Knowledge Management International Conference (KMICe) 2021*, pp. 211-216.
- Latif R.A., Isa M.A.M., Zaharum Z., Malom M.M., Yusoff Y.M. & Noor N.S.M. 2020. Factors influencing young graduates' financial behaviour. *International Journal of Advanced Research in Education and Society* **2**(2): 79-86.
- Lusardi A. & Mitchell O.S. 2011. Financial literacy and retirement planning in the United States. *Journal of Pension Economics & Finance* **10**(4): 509-525.
- Lusardi A., Mitchell O.S. & Curto V. 2010. Financial literacy among the young. *Journal of Consumer Affairs* **44**(2): 358-380.
- Murthy U. & Mariadas P.A. 2017. Factors affecting fresh graduate bankruptcy at young age: The case of fresh graduates in Kota Damansara. *International Journal of Business and Management* **12**(12): 194-203.
- Noordin N., Zakaria Z., Sawal M.Z.H.M., Ngah K. & Hussin Z.H. 2012. Bankruptcy among young executives in Malaysia. *Insight* **28**: 132-136.
- Phillips J.P., Peterson L.E., Fang B., Kovar-Gough I. & Phillips Jr R.L. 2019. Debt and the emerging physician workforce: The relationship between educational debt and family medicine residents' practice and fellowship intentions. *Academic Medicine* **94**(2): 267-273.
- Rajna A., Ezat W.S., Al Junid S. & Moshiri H. 2011. Financial management attitude and practice among the medical practitioners in public and private medical service in Malaysia. *International Journal of Business and Management* **6**(8): 105-113.
- Sundarasan S.D.D., Rahman M.S., Othman N.S. & Danaraj J. 2016. Impact of financial literacy, financial socialization agents, and parental norms on money management. *Journal of Business Studies Quarterly* **8**(1): 140-156.
- Yong C.C., Yew S.Y. & Wee C.K. 2018. Financial knowledge, attitude and behaviour of young working adults in Malaysia. *Institutions and Economics* **10**(4): 21-48.
- Yunus Y., Sabri M.F. & Yuliandi S. 2015. Determinants of debt management among young employees in the central region of Peninsular Malaysia. *Malaysian Journal of Youth Studies* **12**: 139-155.

*School of Quantitative Sciences*

*Universiti Utara Malaysia*

*06010 UUM Sintok*

*Kedah, MALAYSIA*

*E-mail: nurul\_atahsa\_shah@sq.s.uum.edu.my, iffatul\_widad\_moh@sq.s.uum.edu.my,*

*nurul\_fazira\_mohdI@sq.s.uum.edu.my, masnita@uum.edu.my, zahayu@uum.edu.my*

*Determinants of Debt Management among Fresh Graduates*

*Centre for Testing, Measurement and Appraisal  
Universiti Utara Malaysia  
06010 UUM Sintok  
Kedah, MALAYSIA  
Email : masnita@uum.edu.my*

*Institute of Strategic Industrial Decision Modelling  
Universiti Utara Malaysia  
06010 UUM Sintok  
Kedah, MALAYSIA  
Email : zahayu@uum.edu.my\**

Received: 14 April 2022  
Accepted: 24 May 2022

---

\*Corresponding author