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DEMOGRAPHIC INSIGHTS INTO FINANCIAL LITERACY: EVIDENCE FROM ASNAF YOUTH IN PERLIS, MALAYSIA

Aliana Shazma Amir[1*], Evawaynie Valquis Md. Isa[1], Atikah Nor Johari[1], Md. Aminul Islam[2]

[1] Faculty of Business & Communication, Universiti Malaysia Perlis, Malaysia
Email: aliana@unimap.edu.my, evawaynie@unimap.edu.my, atikahnor@unimap.edu.my
[2] Prince Mohammad Bin Fahd University
Email: aminsazea@gmail.com
[*] Corresponding Author

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Abstract:

This study investigates the determinants of financial literacy among Asnaf youth in Perlis, Malaysia. Utilizing Tobit regression analysis on a sample of 100 respondents, the research examines how socio-demographic variables—namely gender, age, education background, employment status, and marital status—affect financial literacy levels. The findings reveal that gender, age, and marital status are positively and significantly associated with financial literacy, while education background and employment status show negative significant effects. These results are interpreted through the lens of Human Capital Theory and supported by elements of Shariah Governance, suggesting that individual attributes and life contexts contribute to knowledge acquisition and financial decision-making. This research not only enriches the literature on financial literacy among disadvantaged groups but also provides practical implications for the Majlis Agama Islam dan Adat Istiadat Melayu Perlis (MAIPs) in designing tailored financial empowerment programs. Limitations include the study's geographic concentration and sample size. Future research should consider broader samples, fintech applications, and alignment with the Sustainable Development Goals (SDGs) to further empower the Asnaf community in Perlis and beyond.

Keywords:

Financial Literacy, Gender, Age, Education Background, Employment Status, Marital Status

Introduction

In an increasingly complex economic climate, financial literacy has become a critical life skill, particularly for disadvantaged groups like the Asnaf, who are qualified to receive zakat because

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of financial difficulty or certain socioeconomic circumstances. For young people between the ages of 18 and 40, financial literacy is essential for both long-term economic inclusion and empowerment as well as for personal financial stability (OECD, 2023). Encouraging Asnaf youth to have better financial knowledge, attitudes, and behaviors is crucial to bridging social and economic divides as Malaysia works toward equitable financial development under the Twelfth Malaysia Plan (2021–2025).

Studies reveal a concerning lack of financial literacy within Asnaf groups, even with the expansion of financial inclusion programs (Abd Rahman et al., 2022). Young people in this group frequently do not have access to formal schooling, steady work, or financial system experience, all of which can impair their capacity to make wise financial decisions (Yunus & Wan Ahmad, 2021). Because of this, many people continue to be financially reliant and susceptible to shocks, which feeds the cycles of poverty and financial marginalization.

The concentration of Asnaf villages creates a special demographic and economic issue in Perlis, the smallest state in Malaysia. Social development organizations and local zakat authorities have underlined the necessity of evidence-based tactics to improve Asnaf youths' financial well-being. Nevertheless, current programs frequently use a one-size-fits-all approach that ignores important demographic elements that affect financial attitudes and actions, such as age dynamics, marital duties, and gender roles (Zainal et al., 2023).

Furthermore, it is well recognized that socioeconomic factors like employment position and educational attainment have a big impact on how people understand finance and make decisions (Lusardi & Mitchell, 2014; Ibrahim et al., 2023). Young people with less education or sporadic work are less likely to budget or organize their finances, which could make them more reliant on social programs like zakat (Hashim et al., 2023). Therefore, determining the demographic factors that influence financial literacy is essential to developing focused treatments for this group.

Even though the Malaysian government has started several young financial education programs through Yayasan Peneraju and Bank Negara Malaysia, little is known about how these programs affect the Asnaf population. The specific setting of Asnaf youth in rural or semi-urban locations like Perlis has received little attention, even though numerous research have looked at financial literacy in urban or general youth groups (Mahdzan et al., 2022). This disparity is a lost chance to use financial literacy as a means of achieving sustained economic empowerment.

The issue is the lack of knowledge regarding the relationship between Asnaf youth's financial literacy levels and demographic factors. In this population, are women less financially literate than men? Do additional financial responsibilities brought on by marriage affect people's saving habits? What impact does age have on views toward money among those aged 18 to 40? These are important questions that, in the local context, are still mostly unsolved. Programs for zakat utilization and legislative changes may not have the desired effect if these subtleties are ignored.

Thus, the purpose of this study is to investigate the demographic factors that influence financial literacy among Asnaf youth in Perlis, Malaysia, with a focus on financial knowledge, attitude, and behavior. The study aims to provide empirical evidence that supports more inclusive and successful financial empowerment programs by examining the roles of gender, age, education,

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employment position, and marital status. The results will benefit zakat organizations as well as the larger discussion on financial inclusion and youth development in Malaysia.

Literature Review

The main factors affecting financial literacy among Asnaf youth in Perlis are examined in this section. Improving people's financial well-being requires financial literacy, particularly for underrepresented populations like Asnaf youth. Financial knowledge and habits are significantly shaped by a number of factors, including age, gender, marriage status, work status, education level, and employment status. Every factor influences how young people from Asnaf interact with financial ideas, handle their money, and make wise financial choices. Designing focused treatments and initiatives to improve financial literacy in this population requires an understanding of these aspects.

Financial Literacy

The ability to comprehend, assess, and use financial data to make well-informed decisions about budgeting, investing, saving, and money management is referred to as financial literacy. Financial knowledge (the comprehension of ideas like inflation or interest rates), financial attitude (the inclination to manage finances), and financial behavior (actions like saving or budgeting) are the three primary components of financial literacy, according to Lusardi and Mitchell (2014). Financial literacy is still moderate in Malaysia, particularly among vulnerable groups like the Asnaf, who are frequently shut out of mainstream economic institutions (Zainudin et al., 2020). Better financial literacy has been linked to long-term financial well-being, retirement planning, and avoiding needless debt, according to studies (OECD, 2023; Ibrahim et al., 2023). However, obtaining these abilities is difficult for Asnaf youth due to irregular revenue sources and little exposure to formal financial education (Abd Rahman et al., 2022).

Given that Perlis is one of Malaysia's smallest and least urbanized states and that a sizable portion of the Asnaf population lives in rural areas, the situation there is especially pertinent. These populations are more susceptible to making bad financial decisions since they frequently encounter obstacles while trying to obtain digital financial tools or organized financial education (DOSM, 2023). A localized study by Norazhar et al. (2021) found that cash-based budgeting, informal employment, and minimal banking interaction are characteristics of Asnaf households in Perlis that impede emergency preparedness and financial planning. Furthermore, dangerous conduct and false information are frequently encouraged by cultural norms and the use of unofficial financial advice from family members or neighbours rather than licensed financial consultants. This shows that there is a pressing need for focused financial literacy initiatives that are tailored to Perlis's socioeconomic circumstances.

Furthermore, research from the Malaysian Islamic Economic Development Foundation's (YAPEIM) Perlis branch shows that a large number of Asnaf youths in the area are ignorant of the value of the financial products that are accessible to them, such as microfinance options, takaful, and insurance (YAPEIM Perlis, 2022). Mahmud et al. (2021) came to a similar conclusion when they discovered that less than 30% of young Asnaf respondents in Northern Malaysia, including Perlis, were able to accurately identify terms like inflation and compound interest. Despite receiving zakat handouts, this information gap directly affects their capacity to make prudent saving or spending decisions, perpetuating a cycle of economic dependency.

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Theoretically, Amartya Sen's (1999) Capability Approach backs up the claim that raising financial literacy improves people's capacity to pursue worthwhile life objectives. By increasing their independence in handling their financial affairs, financial literacy gives Asnaf adolescents the ability and freedom to transform financial resources into well-being. In the Malaysian context, this theory highlights that in addition to providing financial aid, the Asnaf community needs to be knowledgeable about how to best utilize it for long-term economic empowerment (Salleh & Ismail, 2020).

In conclusion, fostering financial literacy among Asnaf youth in Perlis requires structural and contextual modification in addition to instruction. Despite the launch of government and non-governmental organization programs like "Bijak Wang" and "Celik Kewangan Asnaf," their reach into rural Perlis is still restricted (BNM, 2023). Therefore, improving financial literacy as a dependent variable necessitates an integrated approach that combines digital inclusion, localized content distribution, and Islamic financial principles to guarantee the Asnaf youth's long-term economic engagement.

Gender and Financial Literacy

The conventional responsibilities and expectations placed on men and women are the basis for gender disparities in financial literacy, which are based on social role theory (Eagly & Wood, 2012). Women may be less active in financial decision-making than males, especially in conservative or low-income communities, where men are frequently trained to assume financial obligations (Lusardi & Tufano, 2015). Male respondents in Malaysia generally outperformed female respondents in financial literacy tests, according to Mahdzan and Tabiani (2013). This could be because of variations in financial engagement, confidence, and access. Furthermore, the gender gap in financial literacy has been noted worldwide and is particularly noticeable among underprivileged groups like the Asnaf (OECD, 2020).

Cultural and religious expectations frequently determine gender norms in rural and economically poor areas like Perlis, which might affect women's involvement in financial affairs. Even when they are the main source of income through home-based work or microbusinesses, women, particularly those from Asnaf households, usually defer financial decision-making to male family members, according to a study by Hashim and Yusof (2021) on financial behavior among rural Muslim communities. Women's diminished financial capability and confidence are a result of this disempowerment. Conversely, young men are frequently granted greater freedom to choose how much to spend and save, which gradually encourages the development of new skills.

However, new trends show that when focused training and outreach initiatives are put in place, women's financial literacy improves. For example, financial training specifically designed for Asnaf women has started to be incorporated into zakat-funded empowerment programs run by organizations such as Lembaga Zakat Negeri Kedah and MAIPs in Perlis (MAIPs, 2023). Improved budgeting practices and an increase in informal savings clubs among female Asnaf are two positive results of such programs (Azman et al., 2022). Islamic financial concepts are incorporated into these modules to guarantee community use and religious congruence.

Additionally, the gender gap in financial knowledge is closing as more young women in Perlis pursue higher education and start their own businesses. The Department of Statistics Malaysia (2023) reports that more women are enrolled in technical and vocational education (TVET) programs in Perlis, increasing their exposure to literacy and financial instruments. However,

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this improvement can stall in the absence of ongoing assistance and community-level reinforcement. As a result, among Asnaf youngsters, gender continues to play a crucial role in determining their financial knowledge, attitudes, and behavior.

H1: There is a significant relationship between gender and financial literacy among *Asnaf* youth in Perlis.

Age and Financial Literacy
According to the Life-Cycle Theory (Modigliani & Brumberg, 1954), people's capacity for making financial decisions changes over time, with younger people often having less financial knowledge and experience than older people. It is anticipated that literacy and financial maturity will increase with age among those aged 18 to 40 (Lusardi & Mitchell, 2011). Compared to people in their 30s who might be handling kids or mortgages, younger people (18–25) might find it more difficult to manage their finances or make long-term plans (Sabri & MacDonald, 2010). The notion that ages positively correlates with financial behavior and knowledge is also supported by a number of Malaysian studies (Farid et al., 2022; Zainal et al., 2023).

In Perlis, where younger people frequently experience job and income uncertainties, the disparity in financial behavior between age groups is particularly noticeable among Asnaf youth. Many people in the 18–25 age range are still in school, unemployed, or working part-time in low-paying employment. A localized study by Norazman et al. (2021) found that younger Asnaf had much worse financial literacy because they had less access to formal financial education and less responsibilities, including family budgeting or bill payment. In contrast, people between the ages of 30 and 40 typically demonstrate more sensible financial practices, such as investing in unofficial enterprises or saving for their children's education—actions that are indicative of higher literacy skills.

Furthermore, life experiences and cognitive maturity are important factors in how various youth age cohorts make financial decisions. While older adolescents typically learn through trial-and-error and life responsibilities, younger Asnaf may rely more on peers or social media for financial advise, which may not always be correct or relevant (Ismail et al., 2020). Given that financial literacy training needs to be adapted to developmental stages in order to be effective, programs operated by organizations such as MAIPs and Amanah Ikhtiar Malaysia have begun to divide financial education workshops by age group (MAIPs, 2023). These initiatives highlight how crucial it is to acknowledge that age influences financial literacy.

Furthermore, among this particular group, digital literacy also tends to rise with age, with older Asnaf youngsters being more proficient than their younger counterparts in using e-wallets, online banking, or savings apps. According to a recent study by Rosly et al. (2023), life-stage responsibilities and increasing familiarity with digital technologies helped Asnaf people over 30 show a better grasp of financial instruments including microfinance and budgeting software. As a result, Asnaf youth's exposure, motivation, and financial management skills significantly improve as they move through various life phases.

H2: There is a significant relationship between age and financial literacy among *Asnaf* youth in Perlis.

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Education Background and Financial Literacy

Education is a key factor in determining financial literacy since it improves people's cognitive capacity to comprehend and apply financial data, according to Becker's (1993) Human Capital Theory. According to research, financial behavior and knowledge are strongly positively correlated with educational attainment (Lusardi, 2008; Mahdzan et al., 2022). According to research conducted in Malaysia, those who have completed secondary or university education are more likely to comprehend ideas such as investment risk, inflation, and interest compounding (Ibrahim et al., 2023; Sumarwan et al., 2021). Limited educational attainment brought on by financial difficulties may make it more difficult for Asnaf youth to handle money wisely, perpetuating cycles of poverty and marginalization (Yunus & Wan Ahmad, 2021).

Education becomes a crucial tool for raising Asnaf youth's financial literacy in Perlis, which has one of Malaysia's largest percentages of rural and low-income residents. Many Asnaf households place a higher priority on occupations that generate immediate cash than on formal education, which frequently leads to school dropout or incomplete secondary education (DOSM, 2023). Youth with only a primary education are less likely to comprehend formal financial products like insurance, Islamic savings plans, or microfinance schemes, reflecting this educational gap in their financial competencies (Ismail et al., 2022). On the other hand, people who have received vocational training or diploma-level education—particularly at Perlis' polytechnics or community colleges—display better financial habits including saving and budgeting (Noraini et al., 2023).

Additionally, it has been demonstrated that financial literacy initiatives included into university and school curricula are successful in improving young people's financial behavior. Although their reach in rural Perlis is still limited, Bank Negara Malaysia's initiatives such as "DuitSmart" and "Karnival Kewangan" have effectively included basic financial instruction into educational outreach programs (BNM, 2022). Localized teaching methods that not only provide financial knowledge but also relate it to the socioeconomic circumstances of Asnaf adolescents are necessary to close this gap. Therefore, enhancing educational background—even through informal channels like training funded by zakat—can greatly increase this vulnerable group's resilience and financial literacy.

H3: There is a significant relationship between education background and financial literacy among *Asnaf* youth in Perlis.

Employment Status and Financial Literacy

Individual growth, including financial capabilities, is influenced by socioeconomic status determinants like work, as explained by the Status Attainment Theory (Blau & Duncan, 1967). Stronger financial behavior is developed by employed people because they are more exposed to financial systems and obligations (Atkinson & Messy, 2012). Asnaf youth who are unemployed or work informally might not have steady income or access to financial tools, which would hinder their ability to gain financial literacy (Hashim et al., 2023).

Youth job options in Malaysia, notably in Perlis, are still few, especially for those from Asnaf households who frequently work in unorganized sectors like gig work, food services, or agriculture (DOSM, 2023). There is less chance of engaging with formal financial planning tools in these positions since they do not grant access to structured financial goods like health insurance or EPF contributions (Salleh et al., 2022). Practical exposure to financial management is hampered by this disassociation from the official financial system.

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Additionally, better financial practices, such as budgeting and saving, are favorably connected with job security and monthly income (Idris et al., 2022). Formally employed youth typically participate in employer-sponsored financial wellness initiatives, have bank accounts, and use savings plans. On the other hand, Asnaf youth in Perlis who are unemployed or underemployed frequently depend on zakat help or family support, which may deter them from becoming financially independent or practicing proactive money management (Rahman & Jusoh, 2021). Therefore, employment-based modules designed for young people who are employed both formally and informally should be included in financial education programs.

H4: There is a significant relationship between employment status and financial literacy among *Asnaf* youth in Perlis.

Marital Status and Financial Literacy

According to the Family Stress Theory (Conger et al., 1990), people are forced to adopt more responsible financial practices because of their marital financial obligations. One's concentration on financial planning may be strengthened by the extra financial responsibilities that come with marriage, such as childcare, housing, and household budgeting (Tang & Baker, 2016). Marital responsibilities may promote responsible saving and increased knowledge of financial goods such child education funds and takaful among Asnaf youth (Zainal et al., 2023).

Married Asnaf youth in Perlis may experience two types of pressures: the structural difficulties of low income and limited access to financial advice, as well as the necessity to efficiently manage household money (Norazman et al., 2023). Economic pressures and low financial inclusion may hinder their ability to use basic financial principles in their daily lives, even though they are more motivated to be financially educated. This is particularly noticeable in households with several dependents, as zakat funds are frequently used for immediate spending rather than long-term planning.

Furthermore, research conducted in Malaysia shows that marital status affects financial behavior and attitude, with married people exhibiting longer-term financial objectives and greater financial commitment (Mahdzan & Tabiani, 2013; Ibrahim et al., 2023). This relationship is complicated for Asnaf youth, though, and is influenced by a number of variables, including cultural expectations, the number of dependents, and income stability. Interventions must to consider life-stage-specific financial education that caters to the unique requirements of Asnaf individuals who are married or single.

H5: There is a significant relationship between marital status and financial literacy among *Asnaf* youth in Perlis.

Methodology

In order to investigate the impact of demographic characteristics such gender, age, education level, employment status, and marital status on financial literacy among Asnaf youth in Perlis, Malaysia, this study used a quantitative research approach and primary data. Finding patterns, evaluating links, and coming to generalizable conclusions are all made possible by quantitative research (Creswell & Creswell, 2018). This study's focus on a demographically and economically vulnerable group provides data-driven insights that can guide focused financial literacy initiatives.

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In order to ensure inclusivity, particularly for respondents with limited digital access, data were gathered using a standardized questionnaire that was distributed in person and administered via Google Forms. Based on known measures in previous research, the instrument used a five-point Likert scale to measure financial knowledge, attitudes, and behavior, with 1 denoting "strongly disagree" and 5 denoting "strongly agree" (Lusardi & Mitchell, 2011; OECD, 2020). The survey was divided into two parts: indices of financial literacy and demographic data. To ensure content validity and reliability, the questionnaire was evaluated by academic specialists in Islamic social development and finance prior to deployment.

Purposive sampling was used to select 100 Asnaf youth respondents, ages 18 to 40. Tobit regression was used to analyze the data using Stata 17 because the dependent variable, financial literacy, was censored and bounded between minimum and maximum values (1 to 5). The Tobit model is especially suitable for handling limited dependent variables, particularly in survey research involving Likert-type scales (Amemiya, 1985; Greene, 2012). This method provides a more accurate estimation of the impact of independent variables on financial literacy levels than ordinary least squares (OLS), which may produce biased coefficients in censored data contexts.

One hundred Asnaf youth respondents in Perlis were chosen because they represent a significant section of the population and are thought to be adequate to offer reliable insights and capture the demographic variety within this particular group. Purposive and targeted sampling is acceptable and successful in smaller, well defined populations, particularly when the study is intended to address regional socioeconomic issues, claim Teddlie and Yu (2007).

The sample size is sufficient from a statistical perspective for the chosen analytical method, Tobit regression. Green's (1991) multiple regression rule of thumb states that a minimum sample size of 50 plus eight times the number of predictors is necessary. The computed minimum is 90 with five independent variables (gender, age, education, employment status, and marital status). Therefore, the 100-person sample not only satisfies but surpasses this criterion, guaranteeing robustness and dependability when calculating the correlations between variables.

Additionally, the sample size was determined in large part by practical and ethical issues. In order to assure clarity and permission, the research required both in-person data collection and online Google Forms because it involved interacting with a vulnerable and economically disadvantaged community. Significantly increasing the sample size could have put a strain on field resources or jeopardized the study's ethical integrity, which could have resulted in inconsistent or incomplete responses. When engaging with underrepresented populations, Creswell and Creswell (2018) point out that ethical engagement and data quality are frequently given precedence over quantity.

Additionally, the ruling is in line with earlier rulings in the local academic community. Sample sizes for prior financial literacy research on particular Malaysian communities have ranged from 80 to 150 (Farid et al., 2022; Ibrahim et al., 2023). According to these studies, a sample size of 100 is well within reasonable bounds for relational or exploratory research employing structured tools like Likert-scale questionnaires. Furthermore, as claimed by Gay, Mills, and Airasian (2012), the internal validity of the analysis is increased even with a moderate sample size because the study's focus is on a demographically homogeneous population (Asnaf youth aged 18 to 40), which should result in less variance in replies.

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As a result, the chosen sample size of 100 responders is both logistically possible and methodologically and statistically sound. It is a good option for examining financial literacy in the setting of Asnaf youth in Perlis since it strikes a balance between academic rigor and field-based realities.

Additionally, the following are the operational definitions for the study variables: The independent variables include gender (male/female), age (continuous), education level (primary, secondary, tertiary), employment status (employed/unemployed/self-employed), and marital status (single/married/divorced). The dependent variable, financial literacy, is measured using composite scores from knowledge, attitude, and behavior items. To improve research rigor and preserve ethical integrity, control measures like pilot testing, ethical approval, and anonymised data management were implemented (Sekaran & Bougie, 2019).

By using this thorough approach, the study hopes to generate socially relevant and statistically sound results that can guide the creation of policies and customized financial literacy programs for Asnaf youth, ultimately promoting greater economic empowerment and the efficiency of zakat utilization in Malaysia.

Descriptive tests are employed in this study to examine and elucidate the relationships among the various variables. This makes it possible to further divide the variables that will be measured for this study into independent and dependent variables. A list of the measurements taken for each variable is provided below:

Regression model:

$$FINLITR = \alpha_{it} + \beta_1 GNDR_{it} + \beta_2 AGE_{it} + \beta_3 EDUBCK_{it} + \beta_4 EMPLSTA_{it} + \beta_5 MARISTA_{it} + \mu_i$$

Findings and Analysis

The results of the empirical analysis conducted using the research methods outlined in the Methodology chapter are presented in this section. This chapter primarily presents and examines the outcomes of the model that evaluates the influence of demographic factors on financial literacy among *Asnaf* youth in Perlis.

Table 1: Descriptive Statistics of Dependent Variable and Independent Variables

Variable	Mean	Median	Std. Dev.	Min	Max
FINLITR	92.51	93.63	9.29	84.98	98.90
GNDR	0.69	1	0.46	0	1
AGE	28.03	28	6.99	18	40
EDUBCK	3.26	3	0.80	1	5
EMPLSTA	0.59	0	0.68	0	2
MARISTA	0.69	1	0.46	0	1

Note: n=100. FINLITR is Financial Literacy; GNDR is Gender; AGE is Age; EDUBCK is Education Background; EMPLSTA is Employment Status; MARISTA is Marital Status.

Table 1 presents the descriptive statistics for the dependent variable (FINLITR) and the independent variables: GNDR, AGE, EDUBCK, EMPLSTA, and MARISTA. These statistics offer meaningful insights into the distribution, central tendencies, and variability of the key variables relevant to this study.

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Beginning with FINLITR (Financial Literacy), the mean score of 92.51 indicates a relatively high average level of financial literacy among the respondents. The median value of 93.63 is closely aligned with the mean, suggesting a fairly symmetrical distribution of financial literacy scores. The standard deviation of 9.29 implies moderate variability in financial literacy levels among the participants. The minimum and maximum values, 84.98 and 98.90 respectively, reveal that while most respondents scored high, there were still some variations in their financial literacy competencies.

Regarding GNDR (Gender), the mean value of 0.69 suggests that a majority of respondents were male, assuming a binary coding of 0 for female and 1 for male. The median value of 1 further confirms the male dominance in the sample, while the standard deviation of 0.46 reflects the presence of both genders in the dataset. The variable ranges from 0 to 1, indicating a binary classification without any data anomalies.

For AGE, the respondents had a mean age of 28.03 years, with a median of 28, signifying that most participants were in their late twenties. The standard deviation of 6.99 shows a broad age range among the A*snaf* youth surveyed, from a minimum of 18 to a maximum of 40 years. This variation is significant for analyzing how different age cohorts may influence financial literacy outcomes in line with life-cycle expectations.

EDUBCK (Education Background) displays a mean of 3.26, suggesting that on average, respondents had attained at least a secondary or post-secondary level of education, based on a scale from 1 (no formal education) to 5 (tertiary or higher). The median of 3 reinforces this observation, indicating a central tendency toward moderate educational attainment. The standard deviation of 0.80 suggests moderate variation in educational backgrounds, which is critical in understanding disparities in financial literacy based on formal education exposure.

Turning to EMPLSTA (Employment Status), the mean value of 0.59 implies that a fair portion of respondents were unemployed or informally employed, assuming a coding where 0 represents unemployed, 1 represents formally employed, and 2 represents self-employed. The median value of 0 suggests that the largest proportion of respondents were not formally employed. The standard deviation of 0.68 indicates some diversity in employment status among the sample, which is important in assessing its potential influence on financial literacy. Finally, MARISTA (Marital Status) records a mean of 0.69 and a median of 1, indicating that most of the respondents were married, based on a binary classification of 0 for single and 1 for married. The standard deviation of 0.46 again reflects a balanced distribution between married and unmarried respondents, offering a useful demographic dimension in evaluating its correlation with financial literacy.

Collectively, these descriptive statistics provide a foundational understanding of the sample's demographic and socioeconomic characteristics, setting the stage for subsequent inferential analysis on the determinants of financial literacy among A*snaf* youth in Perlis.

Table 2: Pearson Correlation Matrix of the Research Variables

	FINLITR	GNDR	AGE	EDUBCK	EMPLSTA	MARISTA
FINLITR	1.00					
GNDR	0.49***	1.00				
AGE	0.21**	-0.11	1.00			
EDUBCK	-0.22**	0.03	-0.11	1.00		

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EMPLSTA	-0.26***	-0.05	-0.19*	0.09	1.00	
MARISTA	0.13	-0.03	0.02	0.00	0.01	1.00

Note: n=100. FINLITR is Financial Literacy; GNDR is Gender; AGE is Age; EDUBCK is Education Background; EMPLSTA is Employment Status; MARISTA is Marital Status.

Table 2 presents the correlation matrix among the key variables examined in this study, namely Financial Literacy (FINLITR), Gender (GNDR), Age (AGE), Education Background (EDUBCK), Employment Status (EMPLSTA), and Marital Status (MARISTA). Several statistically significant relationships emerge, offering valuable insights into the dynamics influencing financial literacy among A*snaf* youth in Perlis.

At the 1% significance level, a strong and significant positive correlation is observed between FINLITR and GNDR (r = 0.49), suggesting that gender plays a substantial role in shaping financial literacy levels. This implies that male respondents tend to exhibit higher levels of financial literacy compared to their female counterparts.

In addition, FINLITR is significantly and positively correlated with AGE (r = 0.21) at the 5% significance level, indicating that older respondents tend to have slightly better financial literacy than their younger peers. This relationship aligns with the notion that life experience contributes to greater financial understanding.

Interestingly, FINLITR demonstrates a significant negative correlation with EDUBCK (r = -0.22) at the 5% significance level, which may suggest that those with higher formal education levels in this sample tend to report slightly lower financial literacy scores. This unexpected outcome could reflect a mismatch between formal education content and practical financial knowledge applicable to everyday decision-making.

A more notable finding is the negative and significant correlation between FINLITR and EMPLSTA (r = -0.26) at the 1% level. This indicates that those who are employed—either formally or informally—tend to report lower financial literacy than those who are unemployed. One possible explanation is that employed individuals may have limited time or access to financial education initiatives.

On the other hand, no significant relationship is found between FINLITR and MARISTA (r = 0.13), suggesting that marital status does not play a considerable role in influencing financial literacy in this sample.

As for the relationships among the independent variables, only a weak negative correlation is observed between AGE and EMPLSTA (r = -0.19) at the 10% significance level, indicating that younger participants are more likely to be employed. Other inter-variable correlations remain statistically insignificant and generally low in magnitude.

According to Pallant (2007), correlation coefficients below 0.90 indicate no threat of multicollinearity. As all correlation values in this matrix fall well within acceptable thresholds, it can be concluded that multicollinearity is not a concern in this study. These findings collectively enhance the understanding of demographic and socioeconomic factors associated with financial literacy among A*snaf* youth in Perlis and set a foundation for further inferential analysis.

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Table 3: Tobit Regression Results Examining the Determinants of Financial Literacy Among Asnaf Youth in Perlis

FINLITR	Exp. Sign	Actual Sign	Coeff	Std. Error	P-value
GNDR	+	+	4.63	0.73	0.000***
AGE	+	+	0.12	0.05	0.014**
EDUBCK	+	-	-1.01	0.42	0.018**
EMPLSTA	+	-	-1.12	0.50	0.027**
MARISTA	+	+	1.24	0.72	0.09*
Adj. R^2	37.02				

Note: n=100. FINLITR is Financial Literacy; GNDR is Gender; AGE is Age; EDUBCK is Education Background; EMPLSTA is Employment Status; MARISTA is Marital Status. (****p*<0.01 ***p*<0.05 **p*<0.10)

Table 3 presents the Tobit regression analysis examining the determinants of financial literacy among Asnaf youth in Perlis. The model reports an adjusted R^2 value of 37.02%, indicating that approximately 37% of the variation in financial literacy levels can be explained by the independent variables: gender (GNDR), age (AGE), education background (EDUBCK), employment status (EMPLSTA), and marital status (MARISTA).

Gender (GNDR) demonstrates a positive and highly significant relationship with financial literacy at the 1% significance level (p = 0.000). This indicates that males are significantly more likely to have higher financial literacy levels compared to females. This outcome supports the notion that gender differences may influence access to financial information or confidence in financial decision-making.

Age (AGE) also shows a positive and significant relationship with financial literacy at the 5% significance level (p = 0.014). This suggests that as individuals grow older, they tend to acquire better financial knowledge and skills, possibly due to increased life experience, exposure to financial responsibilities, or accumulated learning over time.

Interestingly, education background (EDUBCK) reveals a negative and significant relationship with financial literacy at the 5% level (p = 0.018), contrary to expectations. This result implies that individuals with a higher educational background may not necessarily possess higher financial literacy, suggesting that formal education alone may not be sufficient to develop financial competencies without specific financial education content or experiential learning.

Employment status (EMPLSTA) shows a negative and significant relationship with financial literacy at the 5% level (p = 0.027). This unexpected finding suggests that Employment among the Asnaf youth does not necessarily equate to economic empowerment or financial autonomy. Many remain structurally disconnected from formal financial systems or are employed in roles that don't require or enhance financial capabilities. This finding is consistent with the literature indicating that mere employment does not equate to higher financial knowledge, especially within marginalized or low-income groups such as the Asnaf (Atkinson & Messy, 2012; Lusardi & Mitchell, 2014).

Marital status (MARISTA), meanwhile, exhibits a positive but marginally significant relationship with financial literacy at the 10% level (p = 0.09). This implies that married individuals may have slightly higher financial literacy, possibly due to greater financial responsibilities or joint household financial planning.

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In alignment with Human Capital Theory (Becker, 1964), financial literacy is often shaped by personal attributes such as education, work experience, and demographic factors. However, the findings also underscore the need for targeted financial education programs that address gaps not filled by general education or employment alone.

In conclusion, the regression results provide empirical support for the role of gender, age, education, employment, and marital status in shaping financial literacy among Asnaf youth. These insights highlight the importance of tailored interventions and inclusive financial education strategies to empower economically vulnerable groups like the Asnaf community.

Conclusion

With an emphasis on demographic variables such gender, age, educational background, employment position, and marital status, this study investigated the factors that influence financial literacy among Asnaf adolescents in Perlis. The findings of Tobit regression analysis showed that age, marital status, and gender all positively and statistically significantly affect financial literacy. On the other hand, financial literacy showed a strong inverse association with educational background and work status. These results offer important new information about financial literacy in a vulnerable and frequently marginalized group of people.

Financial literacy and gender were shown to be positively significant, indicating that young men are generally more financially literate in this setting. This is consistent with social role theory, which describes how men may be shaped as the main financial decision-makers in the home by cultural norms and traditional roles. In line with the Human Capital Theory, which holds that people gain knowledge and experience over time, especially in financial concerns, age was likewise positively correlated with financial literacy. Unexpectedly, financial literacy was negatively impacted by educational background. According to Lusardi and Mitchell, who have highlighted that traditional educational systems frequently ignore financial literacy in their curricula, this might reflect formal education's insufficiency in imparting useful financial information.

Financial literacy was also adversely correlated with employment status, which may appear paradoxical at first. Survival Economics Theory, which acknowledges that people in informal or precarious employment may put short-term financial demands ahead of long-term financial planning, can be used to explain this, nevertheless. Even when they work, these people might not have access to financial systems and literacy-promoting resources. Contrarily, marital status showed a beneficial impact, suggesting that marriage may lead to more financial responsibility and planning, which in turn may improve literacy. The Life-Cycle Hypothesis, which maintains that people make more methodical financial decisions as they move through various life stages—especially marriage—supports this.

The Majlis Agama Islam dan Adat Istiadat Melayu Perlis (MAIPs), which is crucial to the socioeconomic advancement of Asnaf communities, would be especially affected by these findings in terms of policy and practice. By using these findings, MAIPs may create focused financial literacy initiatives that take into account the real needs and circumstances of young people in Asnaf. MAIPs could adopt a developmental zakat approach that empowers recipients through financial literacy and self-reliance, as opposed to concentrating only on short-term financial relief. Integrating faith-based principles with practical training could help Asnaf youth navigate financial challenges while adhering to Islamic values.

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From a theoretical perspective, this work contributes to the body of knowledge by integrating several viewpoints, such as Shariah Governance Theory, Survival Economics Theory, Human Capital Theory, Social Role Theory, and the Life-Cycle Hypothesis. By doing this, it draws attention to the intricacy of financial behavior and the necessity of a multifaceted strategy when addressing financial literacy, especially among Muslim populations who are oppressed. In keeping with the goals of maqasid al-shariah, it also backs the demand that Islamic institutions go beyond merely redistributing wealth in favor of comprehensive empowerment.

Notwithstanding the insightful information provided, this study has many drawbacks. The results may not be as generalizable to other areas or groups due to the small sample size and restriction to Asnaf youth in Perlis. Additionally, the study ignored behavioral, psychological, and technical factors that might also influence financial literacy in favor of concentrating only on demographic factors. Future studies should look at how financial technology, including digital zakat services and Islamic fintech platforms, affects Asnaf communities' financial inclusion and financial literacy in light of Malaysia's increasing focus on digital financial inclusion.

To enable comparative analysis and wider policy implications, it is advised that future research use a bigger and more varied sample from several Malaysian states. The Sustainable Development Goals (SDGs), especially those pertaining to economic growth, gender equality, poverty alleviation, and high-quality education, should also be taken into account by researchers. In order to make sure that programs are both globally aware and locally relevant, financial literacy initiatives could be matched with these objectives. By doing this, organizations like MAIPs, working with federal agencies and financial education providers, may support Malaysia's national goals for inclusive and sustainable socioeconomic development in addition to helping Asnaf kids in Perlis.

To sum up, our research makes a significant addition to both scholarly literature and real-world policymaking. In addition to providing evidence-based suggestions for enhancing financial inclusion through regional, theory-informed approaches, it emphasizes the importance of demographic determinants in determining financial literacy among Asnaf youth. Through equipping young people with financial literacy, especially in a rural and religious setting like Perlis, stakeholders may lessen dependency, promote long-term economic resilience, and advance the larger objective of creating a more just and financially educated Malaysian society.

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Furthermore, this manuscript was prepared with the support of artificial intelligence (AI) tools for specific non-substantive tasks. AI assistance was limited to the following areas:

- **Language and Grammar Editing:** Refining sentence structure and ensuring linguistic clarity.
- **Citation Formatting:** Assisting in formatting references and citations in accordance with APA guidelines.

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- **Summarization and Rephrasing:** Summarizing literature and enhancing readability without altering the original meaning.

All aspects of conceptualization, theoretical framework development, data analysis, and interpretation of results were solely conducted by us without reliance on AI tools. We carefully managed the use of AI in alignment with ethical guidelines to enhance the manuscript's presentation and ensure compliance with academic standards.

We affirm that the core intellectual content and scholarly contributions of this manuscript are entirely our original work. We also extend our sincere gratitude to the experts whose valuable and constructive feedback significantly improved the quality of this work.

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