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THE RELATIONSHIP BETWEEN FINANCIAL LITERACY AND BANKRUPTCY AMONG YOUTH IN KLANG VALLEY

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ABSTRACT

The bankruptcy rate among youth in Malaysia especially in Klang Valley is rising. The rise in the bankruptcy shows that youth in Malaysia has low financial literacy which result in financial distress, commonly bankruptcy. Despite the increase of bankruptcy cases among youth in Klang Valley, there is a dearth study on relationship between financial literacy and bankruptcy. The purpose of this paper is to study the relationship between level of financial literacy and bankruptcy rate among youth in Klang Valley. This paper also study the effect of financial literacy towards bankruptcy among youth, and to identify the concept of financial literacy from the definition and perception of youth in Klang Valley. It is proposed that youth with lower financial literacy has higher chance of bankruptcy. This research adopts quantitative method, utilizing questionnaire survey as the research instrument. It is expected in the result of this paper that financial literacy will give an impact to the bankruptcy rate among youth.

Keyword: Financial literacy, bankruptcy