

**GOLD, YOUTH AND FINANCIAL WELL-BEING: A COMPREHENSIVE STUDY OF RISK MITIGATION, LONG-TERM PLANNING AND THE ROLE OF GOLD IN SECURING FINANCIAL FUTURES AMONG MALAYSIANS**

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**ABSTRACT**

Gold, renowned for its stability and resilience, has re-emerged as a potential savings alternative for young investors. Its historical ability to withstand economic fluctuations and hedge against inflation offers a stark contrast to the unpredictable nature of conventional markets. Beyond its economic appeal, gold carries cultural significance in many societies, adding to its allure for young people seeking to connect with their heritage and build a solid financial foundation. However, the path to gold-based savings is not without its challenges. Price volatility and the lack of direct income generation can deter some potential investors. Additionally, a significant knowledge gap exists regarding how young people perceive and engage with gold as a savings option. While research has explored their general savings behavior and investment preferences, few studies have delved into the specific domain of gold-centric financial plans. To bridge this crucial gap, this study aims to illuminate the factors influencing young people's decisions regarding gold-based savings. This study seeks to provide valuable insights for financial institutions and policymakers. This comprehensive understanding will empower young people with the knowledge and confidence to make informed investment choices.

**Keywords:** Gold-based savings, Young people, Financial literacy, Risk tolerance, Cultural background

**1. INTRODUCTION**

Gold, has become a favorite and popular for its stability and resilience, has re-emerged as a potential savings alternative for young investors. Its historical ability to weather economic storms and hedge against inflation offers a stark contrast to the unpredictable fluctuations of conventional markets. Beyond its economic attraction, gold holds cultural significance in many societies. Traditionally, it was passed down through generations as a symbol of security and prosperity. This understanding adds another layer to its appeal for young people seeking to connect with their heritage and build a solid financial foundation.

However, the path to gold-based savings is not paved with strong security. This is due to the concerns about price volatility and lack of direct income generation can deter some potential investors. Moreover, a significant knowledge gap exists around how young people specifically perceive and engage with gold as a savings option. While research has explored their general savings behavior and investment preferences, few studies have ventured into the domain of gold-centric financial plans.

Therefore, the purpose of this study is to bridge this crucial gap by illuminating the factors influencing young people's decisions regarding gold-based savings. This study will look at their motivations, anxieties and perceived benefits that is helpful to drawing insight from their financial literacy, risk tolerance and cultural backgrounds. This comprehensive understanding will not only provide valuable information for financial institutions and policymakers but also empower young people themselves with the knowledge and confidence to make informed investment choices.

## **2. PROBLEM STATEMENT**

Young people can be said to stand at the intersection between financial adulthood and ability to build the foundations of their long-term security. Yet, they navigate an unreliable landscape with their live of having low wages and soaring living costs that squeeze their earnings. As a result of this situation, it leave them struggling to save even a fraction of their income. Traditional savings instruments offer insignificant returns which is barely need to face inflation and failing to provide a meaningful buffer against future uncertainties. In addition to this, stock markets which always being said as having ups and downs seems to be attractive but, it is risky especially to a person who do not have extensive financial knowledge or risk tolerance.

Moreover, a critical knowledge gap exists when it comes to understanding how young people specifically perceive and engage with gold as a savings option. While research sheds light on their general financial behavior and investment preferences, few studies tend to focus on their attitudes towards gold, leaving a largely unexplored landscape of motivations [1], anxieties and practical considerations like investment preferences through digital platforms[2]. To add more, the rise of digital gold platforms offers greater accessibility and it also create trust issues, platform transparency concerns and limited adoption among young investors need to be addressed [2]; [3]. Besides that, [1]; [2] in their studies also stated that young people were having lack awareness and understanding of gold-based investment options and their suitability for their financial goals. This lack of information leaves both young investors and potential market shapers like financial institutions and policymakers operating in the dark.

Therefore, this study focus on the finding the relationship between young people and gold-based savings. By comprehensively analyzing their motivations, anxieties and perceived benefits added with informed by their financial literacy, risk tolerance and cultural backgrounds, this study aim to highlight the path of gold investment. This knowledge will not only empower young people themselves with the information they need to make informed investment decisions but also equip financial institutions and policymakers with the insights necessary to develop accessible, responsible and culturally relevant gold-based savings options [4];[5].

## **Research Questions**

1. What is the awareness and understanding of gold as a savings option among young people.
2. What are the factors that influence young people's decisions to invest in gold.
3. What can be recommended for financial institutions and policymakers to promote gold-based savings options for young people.

## **Research Objectives**

1. To assess the awareness and understanding of gold as a savings option among young people.
2. To analyze the factors influencing young people's decisions to invest in gold.
3. To propose recommendations for financial institutions and policymakers to promote gold-based savings options for young people.

## **3. LITERATURE REVIEW**

Young people stand at a critical juncture in their financial lives. The need to balance between low income with rising living costs can make saving a difficult task, often leading to suboptimal rates and neglecting future financial security. Traditional savings instruments offer low returns, while navigating the complexities of volatile stock markets can be both intimidating and risky. Hence, this situation offers a crucial need for alternative yet accessible investment options. This situation create one potential answer emerges which is in the form of gold.

Despite its promising characteristics, there are also some challenges associated with gold. First, its price volatility and lack of direct income generation can deter some potential investors, particularly those who are unfamiliar with its dynamics. Moreover, a significant gap exists in our understanding of how young people specifically perceive and engage with gold-based savings options. For instance, [6] highlighted that the reason of why gold to be appealing during economic uncertainty was because of gold's historical status as a safe haven asset and hedge against inflation. Although gold was said to be appealing during economic uncertainty, its price validity and lack of income generation can discourage some investors[7].

While research has explored their savings behavior and general investment preferences, few studies seek to look at about their attitudes towards and experiences with gold as a dedicated savings tool. Studies by [8]; [9] indicated that there was low saving rates among young people due to many factors like income, rising in living cost and lack of financial literacy. Besides that, [1],[10] stated that parental financial behavior and financial education have significant influence on young people's savings habits.

This knowledge gap highlights the critical need for our proposed research. We aim to shed light on the factors influencing young people's decisions regarding gold as a savings option. Understanding their motivations and potential barriers, informed by their financial literacy, risk tolerance, cultural background and family tradition [11],[1] will be crucial in crafting effective financial products and policies that cater to their needs. According to [11], risk tolerance and financial goals play a role in choosing savings instruments, with young people often prioritizing short-term goals and opting for low-risk options like bank accounts.

Furthermore, the rise of digital gold platforms opens up a new pathway for young investors. These platforms offer fractional ownership, secure storage options and greater accessibility compared to traditional methods like physical gold or jewelry. However, limited awareness, concerns about platform transparency and liquidity, and potential trust issues need to be addressed to fully unlock the potential of these innovative services for young investors.

#### **4. RESEARCH METHODOLOGY**

Quantitative method will be employed for this study. Survey questionnaires will be distributed randomly to a sample of young people studying at the university level in Malaysia and Indonesia.

Sample size: 300-500 university's students aged 18-35 years old.

Sampling method: Simple random sampling.

#### **5. CONCLUSION**

In conclusion, the intersection of young people's savings behavior and the potential of gold-based savings options presents a captivating research landscape. By bridging the existing knowledge gap and comprehensively analyzing the motivations, barriers and enabling factors shaping their decisions, this study can make a significant contribution to fostering financial well-being and responsible investment practices among young people.

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