

# Teach youths about financial literacy

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It's time to understand what drives Malaysians in this spiralling trend of unnecessary spending, especially on luxury goods they cannot afford. - NSTP file pic

**LETTERS:** YOUTHS feel the need to impress or keep up with their peers on social media.

This "flex culture" involves displaying one's wealth, success and luxurious possessions. This kind of lifestyle is unsustainable.

In 2021, Tengku Datuk Seri Zafrul Tengku Abdul Aziz, who was finance minister then, said 40 per cent of millennials were spending beyond their means, with 47 per cent having high credit card debts. He urged Malaysian youth to think thoroughly before spending on discretionary goods.

The problem of escalating credit card borrowing persists, witnessing a surge from RM138 billion to RM177 billion between 2021 and 2022. Social media emerges as a major contributor to the "flex culture".

This involves indulging in expensive dining and acquiring designer items, constructing a facade that doesn't reflect their financial reality as they accumulate debt while striving to maintain a certain image.

It's time to understand what drives Malaysians in this spiralling trend of unnecessary spending, especially on luxury goods they cannot afford.

In an interview I conducted with Jason Rohena, a luxury goods reseller and an expert in the field, he stated that the luxury market's volatility is driven by the misconception that higher prices ensure superior quality.

Steps have to be put into place to help address this issue. If we allow it to prevail, it may get worse, especially with 50 per cent of Malaysians earning less than RM2,424 in 2022.

The government has to emphasise financial literacy in schools so that the youth can get a better grip on how to be financially responsible. It is reported that one out of three Malaysians has low confidence in financial literacy, and this can lead to many issues.

We should teach financial literacy in schools, like what is done in Denmark. This why Denmark has one

of the highest financial literacy rates in the world, at 71 per cent.

In addition, education on the parallels of social media should also be emphasised so that the young understand that not everything on social financial is real.

Countries like Finland have media literacy classes in schools, and perhaps it is time Malaysia follows suit.

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