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THE National Higher Education Fund Corporation (PTPTN) needs RM3 billion a year to fund its loan facility. It is expected to have a RM48 billion deficit by 2020 if existing borrowers do not repay their loans.

Fifty per cent of Malaysians who have filed for bankruptcy due to credit card charges are below the age of 30.

It seems that young people these days are unable to manage their finances.

Students take study loans but they can't manage the money well. Some just spend the money on items such as handphones or laptops. This leads them to fall into debt even before they step into the working world. Spending future money has become the habit of many young people.

Also, young people are now more exposed to different products, leading them to be more brand-minded. Financial institutions can help by controlling their heavy promotions of credit cards.

These young people have not received any financial education to teach them how to manage their finances.

A survey by Citibank showed that more than 25 per cent had no idea of, or had not started, a retirement plan. This shows the weakness of Malaysians in managing their money.

Our formal education system does not include financial education. All we learn is some basic accounting at school. Some countries have included financial education in their formal education system.

Canada, for instance, will include financial literacy in the school system in 2011.

Perhaps it is time for Malaysia to include financial education in schools. Students need to be taught to become responsible consumers and know how to manage their finances.

This would help the future generations manage their finances without getting into trouble.

Source: http://nst.com.my/articles/18ptn/Article/index_html