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# RISE

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# Global Shift:

## Financial Literacy Revolutionizing Youth Mindsets



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here is a noticeable increase in awareness among young people about the importance of financial literacy. Many youths are actively seeking out information and resources to improve their financial knowledge, recognizing its significance in achieving their goals and securing their future.

The digital revolution has played a significant role in making financial education more accessible to the youth. With the proliferation of smartphones and internet access, young people have access to a wealth of digital tools and resources that provide interactive and engaging ways to learn about personal finance.

Many countries are incorporating financial literacy into their educational curriculum, recognizing it as a vital life skill. Schools and educational institutions are offering courses and workshops on topics such as budgeting, saving, investing, and managing debt to equip students with the knowledge they need to navigate the complexities of the modern financial world.

Financial literacy empowers young individuals to seize control of their financial destinies. Through comprehending concepts like budgeting, saving, and investing, more and more youths are making well-informed financial decisions, laying the groundwork for enduring financial success.

The understanding of financial concepts ignites entrepreneurship and innovation among the youth. Equipped with financial

knowledge, many young people are embarking on entrepreneurial ventures, pursuing creative endeavors, and undertaking calculated risks to realize their aspirations, which are essential for effectively managing their finances and establishing thriving enterprises.





Financial literacy extends its impact beyond individual success by contributing to economic parity and societal empowerment. By ensuring access to financial education for young people from diverse backgrounds, we can mitigate wealth disparities and foster more equitable communities where everyone has the opportunity to thrive financially.

There is a growing recognition of the importance of international cooperation in promoting financial literacy among youth. Governments, non-profit organizations, and businesses are collaborating to develop and implement initiatives aimed at providing young individuals with the skills and knowledge necessary for sound financial decision-making.

While progress has been made in promoting financial literacy among youth, there are still challenges to overcome. Limited access to resources, cultural barriers, and competing priorities can hinder efforts to reach all young people with financial education. There also exist opportunities for innovation and collaboration to address these challenges and expand financial literacy initiatives to reach more youth worldwide.

Overall, financial literacy is revolutionizing youth mindsets by empowering young people with the knowledge and skills they need to navigate the financial complexities of the modern world, achieve their goals, and build a brighter future for themselves and their communities.

In Malaysia, Bank Negara Malaysia has set out a Financial Sector Blueprint 2022-2026 for banks' development priorities for the financial sector over the next five years. This is anchored on efforts to foster market dynamism and support sustainable development objectives, with a continued focus on its monetary and financial stability mandates.

Over the past decade, Malaysia has made significant progress in introducing nationwide financial education initiatives to elevate financial capability and literacy. The Financial Education Network (FEN) was established in 2016 as a cohesive inter-agency platform to lead such efforts, while the National Strategy for Financial Literacy (2019-2023) outlines strategic priorities to elevate financial literacy and promote responsible financial



behavior of consumers across all life stages. Through Bank Negara's collaboration with the Ministry of Education (MOE), financial education modules have also been successfully integrated into all levels of the formal education system and as elective programs of higher learning and teacher training institutes – with the Financial Literacy Core Competency Framework for adults serving as a key reference to effect lasting behavioral change.



Malaysia's financial literacy standing			
Malaysians exhibit healthy money management (e.g. budgeting, living within means) but fall behind in terms of product knowledge, financial numeracy and planning for long-term goals			
	Malaysia	Average <sup>1</sup>	OECD <sup>1</sup>
Financial Behaviour <sup>2</sup>	68.1	59.2	59.2
Financial Knowledge <sup>3</sup>	52.3	62.8	65.8
Financial Attitude <sup>4</sup>	54.9	59.2	61.6
Financial Literacy Score	59.7	60.5	62.0

<sup>1</sup> Survey covers 26 countries, of which 12 are OECD members.  
<sup>2</sup> Refers to prudent habits such as saving money, budgeting expenditure, paying bills on time.  
<sup>3</sup> Refers to understanding on products and concepts such as inflation, interest, compounding and risks.  
<sup>4</sup> Refers to mindset towards long-term financial planning.

Source: Financial Sector Blueprint 2022-2026, Bank Negara Malaysia

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