



FINANCIAL LITERACY FOR YOUTHS



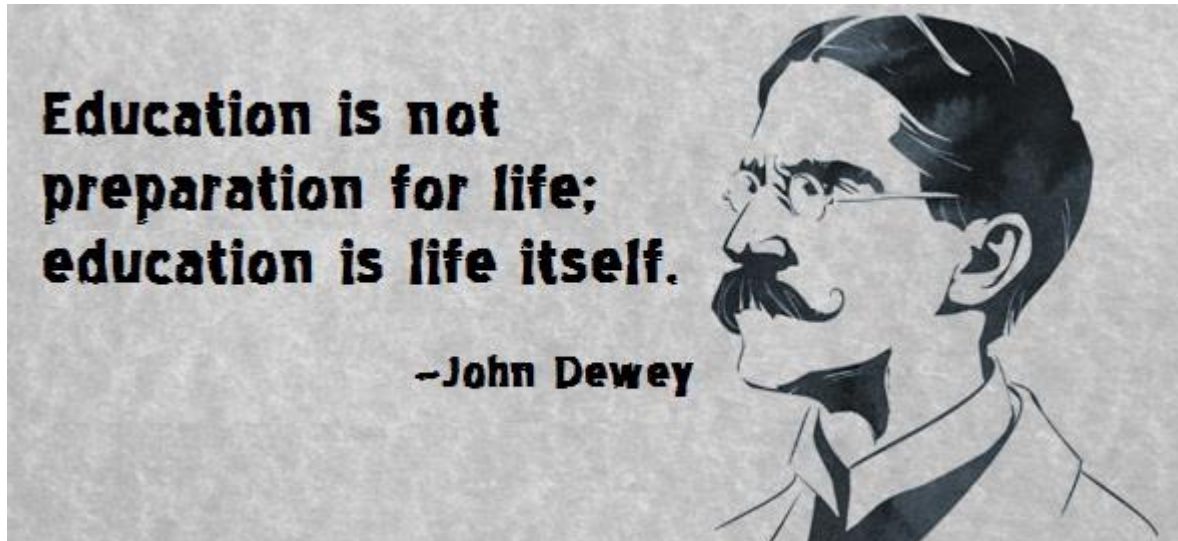
Investing in Education





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1.0 Introduction

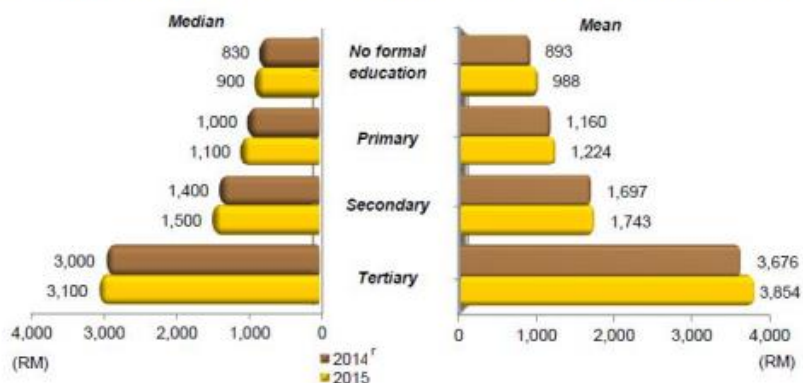


Source: Pinterest

I am sure at some point in life your grandma has nagged you on how you must focus on your studies before anything else. This is because the older generations know well, that education is essential towards a better future. Hence, much emphasis is being placed on your academic achievements, a phenomenon commonly noticed in Asian countries. Investing in education will definitely yield benefits, whether in monetary terms or social terms. Even though cost on education were to be forged out initially, it will definitely be worth it in the long term.

2.0 Monetary Benefits

Chart 2: Median and mean monthly salaries & wages of employees by educational attainment, Malaysia, 2014 - 2015



Source: Department of Statistics Malaysia, 2016

The chart above shows the median and mean monthly salaries and wages of employees by educational attainment in Malaysia. It shows a strong positive correlation between education level and monthly salary received for an employee.¹ (Department of Statistics, 2016)

The reason being this is that people with higher education will most likely end up in jobs that requires a specific set of skills. For instance, an accountant. You will not expect a company to hire a random SPM² leaver to be an accountant as they do not possess the skills required to handle the profession. In the job market, these people only take up a small portion of the total pool of applicants and the demand for them usually exists. Therefore, economics 101 will tell you that the wages needed to hire them will be high.

On the other hand, jobs that require little to no specific set of skills acquired from education will most likely to have lower wages. This is due to a large portion of candidates available in the job market which leads to lower pay as there are people that are willing to work for the same price while possessing the same qualification. Besides, the turnover rate for these jobs will be high too. Example of jobs that fall into this category are construction workers, general clerks, receptionists etc.

¹ As the level of education increases, so does the monthly salary of the employee, and vice versa.

² SPM = Sijil Pelajaran Malaysia, awarded after completing high school and passing the examination.



3.0 Personal Development

Education will also enhance an individual's personal development process. Arthur Chickering's Seven Vectors of Development³ highlight the developmental projects that students face during their undergraduate level of study. The seven vectors are developing competence, managing emotions, developing autonomy, establishing identity, freeing interpersonal relationships, developing purpose, and establishing integrity.

These 7 vectors are usually suited for undergraduate students due to the high chances of getting repeated exposure to an appropriate development environment, which is actually college or university life. If an individual were to be involved in education, it is more likely that that individual will be more developed than its less-educated counterpart. (Chickering, 1969)

To put it in context, a university student will have a softer approach of dealing with their future boss during arguments (managing emotions) and will be more likely to be adaptable to the harsh, cold adult world (establishing integrity).

4.0 Social and networking advantages

Enrolling in education will also mean that you will be more knowledgeable and will have more topics to say in a conversation. In this case, you are more likely to match topics with a complete stranger and develop a relationship from there.

Besides, you will get to socialise with peers that might be beneficial in your future. Have an interesting idea that could be well-developed? Have difficulties in visualising what the future lies ahead? These people will be there to assist you out of the dark trench. (Queano, 2016)

³ For more information about Arthur Chickering's Seven Vectors of Development, please visit : <http://www2.clarku.edu/undergraduate/parents/chickering.htm>

5.0 Conclusion

In short, investing in education will lead to various benefits that can be exploited by an individual into their advantage. As mentioned above, an investment in education will require an upfront payment (for tuition fees etc), which may be burdening for certain individuals. Although so, there are various ways available to finance for an education, which will be covered in one of our later reports. Hereby is a quote that reminds us that even though there will be difficulties and hardships in our journey in education, we will eventually be able to enjoy success if we work hard enough.

“The roots of education are bitter, but the fruit is sweet”

-Aristotle

6.0 References

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