



# FINANCIAL LITERACY FOR YOUTHS



Student Living: The Economist's Way



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In an academic context, economics is simply a matter of allocating resources throughout society. It deals with three fundamental questions: i) What do you produce? ii) How do you produce it? iii) For whom to produce? The complex and sometimes esoteric truths of economics may seem to be reserved for big suits and massive corporations, but in fact, every individual is already practicing some tenet of economics in their daily life. Whether you know it or not, you're probably already familiar with some of the fundamental economic concepts that guide high-flying CEOs and billionaires worldwide.

## Economics of Student Life

The concept of economy can be clearly seen in a student's everyday life, from home to school. The first touch of economy starts **in** the early morning when students have to wake up for their classes. A concept called **Opportunity Cost** can be applied in this situation. An Opportunity Cost means giving up the best alternative to solving a problem whenever a decision is made, due to the limited resources at hand. In the case of our early riser, given that time is the scarce resource, the Opportunity Cost of this student getting out of bed to attend lectures is the extra hour that the student could have had to continue sleeping.

Here's another example: every student will be facing some difficulty when choosing which field of study to pursue or major in. What a student usually does is to analyse the choices given and weigh the pros and cons of each choice. In economic terms, this process is called a **Cost and Benefit Analysis**. The Cost and Benefit Analysis is normally practised by firms or organisations when selecting projects to undertake or invest in. For instance, the government uses this analysis to determine the benefit or harm to its stakeholders when deciding whether to build a highway along a residential area. To relate this concept with students choosing which university to study in, students should consider the rate of employability, learning environment, and cost of study before enrolment.

Let's take a step back and view how our colleges and universities use the concept of allocating resources to enhance the student experience, and how students themselves can take advantage of these resources to maximise the learning experience.

### **Resource Fee: What Does It Cover?**

You might have noticed that your university's invoice shows that you have to pay for fees other than tuition. In general, resource fees cover the non-academic nature of education and is the fee that supports the facilities of every learning institution. The fee is paid to maintain and upgrade these facilities, which enhance the students' experiences during their time in the institution.

### **Optimizing Your Resources**

With the payment of resource fees, a student should fully utilise the facilities provided to achieve **Efficiency**. Yes, we mean Efficiency with a capital E. In economic terms, Efficiency means using the minimum input to generate maximum output [Investopedia,2017] . Let's look into how a student can efficiently utilise the services and facilities included in their resource fee:

#### **The Library**

The average university library is equipped with an extensive database which includes a wide range of academic and non-academic resources such as journals, research reports and reference books. Other than assisting students in producing quality papers, the library offers a conducive study environment for students with its aura of tranquility, fast internet connection, and pods/hubs for group work to take place. It's a no wonder, then, that the library is usually the designated study spot for any tertiary educational institution.

#### **Recreation Facilities**

All work and no play makes Jack a dull boy. Being top in class looks great on paper, but unfortunately, neglecting to maintain a work-play balance has become a dire mistake amongst many Malaysian graduates. Universities actively encourage students to keep their interests diverse by investing huge amounts on badminton

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courts, football fields, dance studios, VR labs and the equipment to go along with it. Students can hone their talents as well as build a social ecosystem that functions outside of the classroom -- developing the near-mythical “soft skills” so sought-after by employers [Department of Local Government, Sport and Culture Industries, 2017].

### **Counselling Unit**

The underrated counselling services have enjoyed a Renaissance in recent years. While most students neglect the function of the counselling unit, it aims to promote the holistic development of students by providing on-going prevention and intervention services and personal counselling. This is an alternative source for students to voice out their concerns and problems besides their family members and close friends, who may not be the most appropriate sources for advice. For example, if you were to be crushed by a break-up and fail your exams as a consequence, it is easy to begin blaming yourself for your failures and get stuck in a feedback loop of negative emotions. The counselling unit is definitely a remedy zone if you are unable to unburden your feelings to the people you trust the most. With the assistance and guidance from a certified counsellor, you can mitigate the psychological impact and take back control of your life.

### **Career Development Department**

If the counselling unit act is the friend that gives you a shoulder to cry on, the career development department is the one that hooks you up with hot dates. Hot dates with employers, we mean. The department’s career counselling internship placements and resume writing equip you with the ABCs to get you started with your future. Occasionally, the department will invite industry experts to share their insight.

Feeling insecure about future career prospects has become commonplace in graduates, despite their many qualifications. Having a hub dedicated to engineering a student’s career development can put peace back into their minds, greatly increasing a university’s job placement percentage. Through the support from the career development department, students can gain more insight on how their chosen industry works and take a shot at attractive internship offers -- which could act as a potential launchpad to land a job at the respective companies. Much like a



professional matchmaking service, students can get a resume makeover with the department before an interview session starts, dolling themselves up to become much more enticing to employers. So, if you have not paid your career department a visit, now is the time -- learn how to catch your dream employer or you might have to pick over the leftovers.

## **Conclusion**

Economical concepts can be found and applied almost everywhere, everyday. The key to *carpe diem*-ing your life is to identify which resources are at hand, and how much of it is available -- as outlined with higher education institutions as an example above. Make the most of your time and take charge with bold but sound decisions - - turning dreams to reality, one economical concept at a time.

## **References**

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## **Prepared by:**

**Researcher** – Chong Ker Sun

**Editor** – Lee Bao Jin