

A STUDY ON FINANCIAL MANAGEMENT AMONG STUDENT

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Abstract

The aims of this paper are to show and to educate the students on how to manage their financial. This research paper will not just to be use by the students but to be use by all types of readers too. Therefore, based on the literature review, I have divided in to 3 sub areas that I found interested to be discussing in this research paper. In this sub area, students will be teaching on how they can make a saving on their limited financial sources while finishing their study.

Keywords: financial, students, techniques

INTRODUCTION

Financial management actually referred to the behaviors and perception of how well finances were managed. Meanwhile, student financial management was referred the behaviors and perception of how students manage their financial and handling their money while they finishing their study. But in the existing investigation, it shows that students are often considered a high-risk group when it comes to financial stability. Many of them borrow to obtain an education and further their study. And many of them also carry considerable that debt into jobs where they can earn some salaries. Many students nowadays have low level of financial literacy.

In fact, one-third of our students having student loans, of which more than half are concerned that they will not able to pay off those loans. Many of them were associated with ineffective financial behaviors, including low saving, poor record keeping, and some of that students also involved in credit card debt. The combination of high debt, low income, and low level of financial literacy adversely affect college student financial well being. And this problem should be handle as soon as possible to prevent our students from involve to other more big problems that can be effect by their small financial problem.

In term to make sure that financial support sufficient for their study and the student will be able to pay back their loan sooner after their finish their study. Actually, the student need to have the important knowledge and the important skills in the financial management to make sure that they will be able to reach out the objective or the purpose of the loan that they make. This is between the reason why I choose this topic as my research because it is relates with my daily personal life. At start, it is still may be confuses at first, but with this literature review from 20 articles that has been review,

readers especially students will be more understand to manage their limited financial sources.

ISSUES

In this paper, I identify several issues regarding to students committee regarding financial literacy. Based on our observation from the previous study, there is still some limitations about financial literacy awareness among students. Some of the limitations are:

- Many of students don't have enough knowledge on how they must and how they need to use their studying financial sources.
- Many of students nowadays don't know how they must manage their limited financial sources in term to make sure that money will be enough for them to finish their study.
- Students nowadays also don't have any knowledge on how they can make a saving on their financial sources and increase the amount of that source.

RESEARCH QUESTIONS

- How student should use their limited financial sources and make sure that financial sources will be sufficient for them to finish their study?
- How students should manage their limited financial sources and make sure that source will enough for them along their study?
- How student should use and make a saving on that financial source and be a bank smart in using that money?

RESEARCH OBJECTIVES

The aim of this paper is to help students in managing their limited financial sources and tell them the importances of financial literacy awareness among students. In order to achieve this aim, we identify the sub-goals:

- To educate the students on how they should use their limited financial sources.
- To improve the knowledge on how the students can manage their financial sources.
- To tell the students on how they can make some saving on their financial sources and at the same time become a bank smart.

LITERATURE REVIEW AND PROPOSED FRAMEWORK

Based on future data collections, we can determine the expected outcome it would be. Each method will explain in different technique on how the student can use, manage and make a saving on their financial sources while studying. Firstly, students must have a specific knowledge on how to use that limited financial source. They must know to differentiate what must comes first and what must comes later. They must have planning and make priority list before use the money that lend for them. Joyce K.H. Nga, Lisa H.L. Yong and Rathakrishnan D. Sellappan (2010) said that the lacking of financial awareness of financial planning concepts among today's students. Previous research found that many college and undergraduate students in the UK, in the USA and Australia possess low financial knowledge leading to high level of debts, risk of bankruptcy and lacking retirement planning skills among young adults. But in Malaysia, credit card bankruptcies tripled from 2006 to 2007 and study loan default increase by 103 percent in the same period time. This research was done by Goi and Nee (2008). And student also must know to differentiate between need and desire. Need must come first before desire.

Second method is student must be educate on how to manage that limited financial sources in term to make sure that source will be enough for them to finish their study. Financial management actually is about the ability to undertake rational, informed judgment pertaining to money management. This includes knowledge on budget, knowledge on financial product and ability to make investment. The step in manage financial sources is by making financial awareness first before buying something. Financial awareness can be summarizing as perception about risk, and knowledge about the time value of money and inflation. Other than that, students also must have knowledge on financial product awareness. They must have a knowledge on how to using this products and how this product can give effects on their life. Between the examples of financial product is a credit card.

Next the last method been conduct is by educate the student on how they can make a saving on their money. Murphy (2008) recognized that mentoring program can help a student in using and saving their money. Mentoring program which consider as less expensive overall, can produce a greater outcome sooner. This mentoring technique will give guidance to student in using their money. Other than that, students also must be educating on how they can be a smart about money. In term to be money smart, student also can reduce overdraft fees. Kantrowitz said that most of bank allows a system that send a message or reminder to a mobile phone when your balance is getting low ad cut off spending. Kantrowitz said that this technique can eliminate or stop costly overdraft fees. Other than that, Kantrowitz also give a recommendation to student on how they can spend their money. Kantrowitz said that student can make a track spending by create a spreadsheet that includes all of student daily expense. By doing this, student can give a priority to the important thing that need to be do first. And by doing this spreadsheet technique, student also can cut off the entire superfluous budget.

Based on the research, there will be changes in terms of using, manage, and make a saving in the financial source towards the high education level students and public generally. Hopefully, the student's community will take this financial problem as a serious topic that need to be handling out. This because financial loans among student is very crucial subject in term to make sure that they can pursue their study and reach out their dream or vision in the future.

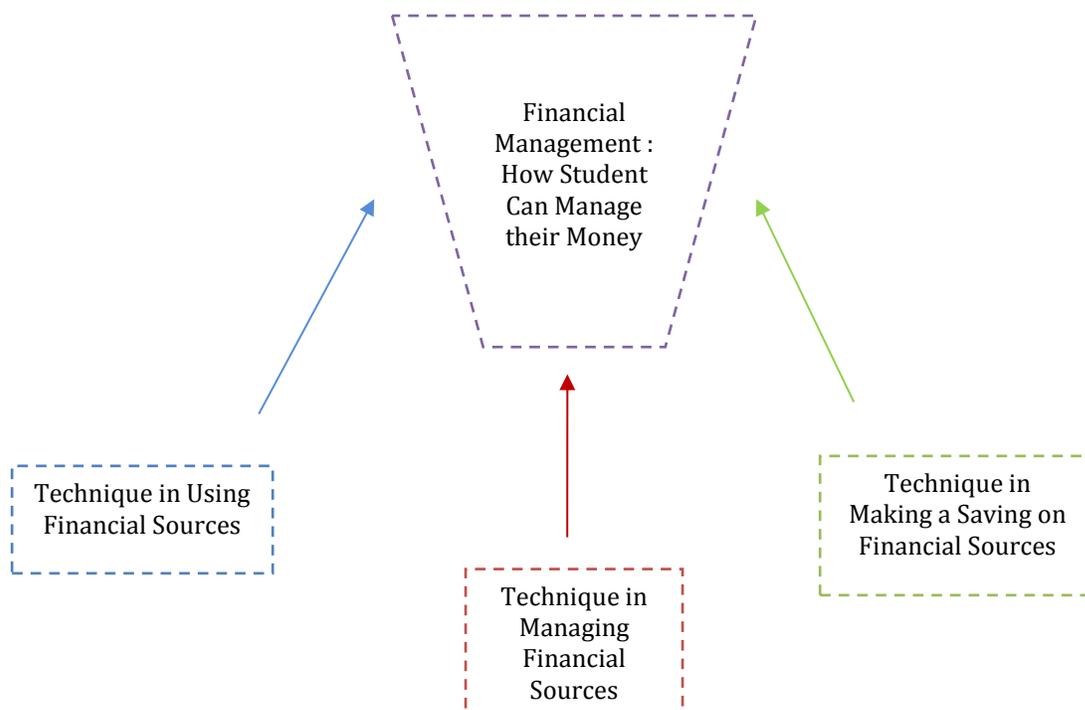


Figure 1. Research Framework.

CONCLUSION

In conclusion, I found out there are many issues in "Financial Management : How Student Should Manage their Money". The issues are related with using, managing and saving money. Financial loans among student are very crucial subject in term to make sure that they can pursue their study and reach out their dream or vision. But, money management process among these students also very important in term to make sure that financial source will be sufficient for them to finish their study. Especially on the loan financial source, this because student needs to pay backs this type of financial

sources sooner or later. By having this research, I'm hoping to develop and help this type of community to be an excellent in money management and achieve all of success and their dream.

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