

16/01/1997

Create a savings culture

Bulbir Singh

YOUR Editor's Note 'Time to save and be Merry', (MB, Jan 1 issue), speaks volumes. Malaysians must begin to be frugal as good times do not last for life.

What happens when things become 'hard'?

Are we ready for it? So saving is a good habit that can help us in a rainy day. But how many of us think like that?

The going is good now for the nation, but that does not mean we can spend and spend. We must understand the basics of saving.

I see we are a nation of people who like to overspend. We may be becoming good consumers, but we are also great spenders and poor savers! Festive season or not, we seem to cherish spending on all and sundry. It may be that if our neighbour has changed a window curtain, we think, 'Why should we be left out?' So we go out and buy a new curtain too!

In line with Prime Minister Datuk Seri Dr Mahathir Mohamad's call to save more, it is time we created a new culture of saving to mitigate spending. The savings habit should begin at schools, by the young. I believe teachers and parents can help out here. Some parents give too much pocket money for the canteen, and this should cease. Pupils should be encouraged to bring in snacks, and nutritious food from home and not unnecessarily spend on junk food from canteens.

People should be taught how to save and where. Sadly, some have not much to save and some others save too little. Some don't know where to save to get the best returns. What can we all do to inculcate the habit of savings?

To start with, let us have a campaign outlining the various agencies, like banks, finance companies, unit trusts and other institutions that can provide some productive returns as an incentive for savers.

Kids should be encouraged to open accounts with banks and the latter asked to provide attractive interest on such savings. What about a unit trust savings for kids which matures when they reach turn 18 years old or so? The young must be roped in at an early age to do this.

The government machinery should encourage selective spending and not like now where the TV/radio ads blare out, urging consumers to buy all and sundry. Instead, why don't they start a campaign on how to save on the ringgit?

What of the zero inflation sales? Are they really helping to mitigate spending? It seems that at such sales consumers often go on a buying spree, defeating the very purpose of such a campaign, which is, to put a dent in inflation. But inflation is beginning to rear its ugly head again. We have to expose kids and students to the right culture of buying and spending as well as saving. These students should be made prudent managers of their finances to end this spending culture. They should also be educated on how to be wise buyers of goods and services.

Bulbir Singh

Seremban

(END)