

### Pengurusan Wang Ringgit Anda (POWER!) Programme

The *Pengurusan Wang Ringgit Anda* (POWER!) Programme was launched in January 2011 as part of the agenda to improve the financial capability of Malaysian financial consumers. It complements the *bankinginfo* and *insuranceinfo* initiatives as the key platforms through which the Bank, in collaboration with its partners, works to support better financial decisions among the adult population.

With more intense competition in the financial sector and increasing complexity of financial product offerings, the ability of consumers to better understand the implications of their financial choices is vital to ensure that they can adapt to unexpected changes in their circumstances, and avoid falling into financial hardship. The young adult population in particular is facing a more demanding environment in which less than optimal financial decisions can have significant longer-term consequences in terms of their ability to meet future expenditures, weather unexpected changes in income levels and provide sufficiently for retirement. Against this backdrop, the POWER! Programme aims to help consumers achieve their financial goals and protect themselves from falling into over-indebtedness through better borrowing decisions. In addition, the programme will empower financial consumers to engage more effectively with financial service providers when making their financial choices and in resolving any debt problems that may arise. Equally significant are the wider benefits to the economy and society that will accrue from financially resilient households, sustainable consumption growth and a strong safety net.

The POWER! Programme is targeted primarily for young individuals and new borrowers to equip them with practical financial knowledge and skills on money and debt management as well as decision-making tools to make sound and responsible financial decisions. The half-day voluntary programme covers six modules delivered in a highly interactive, relevant and creative manner. The modules address topics that will confront most young adults in the management of their financial affairs such as how to analyse and manage personal or household cash flows, maintain manageable debt levels, and the key considerations and processes that a potential borrower should understand when obtaining financing for house and vehicle purchases, or credit card facilities for personal use. The programme uses financial toolkits and focuses on practical applications of financial decisions and their consequences in real life situations that will create a direct and immediate impact in making responsible financial management a way of life among Malaysia's young adults.

The programme is managed and delivered by Credit Counselling And Debt Management Agency (AKPK) in collaboration with banking institutions. Participation in the programme is free of charge and individuals can register for the programme directly with AKPK or through their banking institutions. Meanwhile, work has advanced to develop a wide range of interactive learning and online tools to supplement the POWER! Programme. Through these facilities, participants will be able to simulate their financial affordability, cash flow and financial net worth, engage in discussion forums on financial management and obtain financial tips and advice.

Employers and members of the public can obtain more details of the programme in the websites of AKPK ([www.akpk.org.my](http://www.akpk.org.my)), *bankinginfo* ([www.bankinginfo.com.my](http://www.bankinginfo.com.my)) or *insuranceinfo* ([www.insuranceinfo.com.my](http://www.insuranceinfo.com.my)). Interested parties can also contact AKPK at their toll-free number 1-800-88-2575 or Bank Negara Malaysia TELELINK at 1-300-88-5465.

**Table 1****Overview of the POWER! Programme**

No.	Module	Key contents
1.	Cash Flow Management	<ul style="list-style-type: none"><li>• Smart living: identify needs and wants</li><li>• Develop personal budget and cash flow/net worth statement</li><li>• Knowing financial position and net worth</li></ul>
2.	Borrowing Basics	<ul style="list-style-type: none"><li>• Common sources of personal credit and key features of credit facilities</li><li>• Key lending criteria</li><li>• Cost of borrowing and setting own debt limit</li><li>• Rights and responsibilities of a borrower</li></ul>
3.	Using a Credit Card	<ul style="list-style-type: none"><li>• Different types of cards i.e. debit card, credit card and charge card</li><li>• Understanding the terms and conditions of credit cards</li><li>• Using credit cards wisely</li><li>• Responsibility to protect credit cards</li></ul>
4.	Buying a Car	<ul style="list-style-type: none"><li>• Factors to consider when buying a car, including affordability, maintenance and other recurring expenses</li><li>• Terms and conditions of hire purchase agreement, including term charges, early settlement and repossession</li></ul>
5.	Buying a House	<ul style="list-style-type: none"><li>• Factors to consider when buying a house, including affordability, types of house ownership, location, cost and maintenance</li><li>• Understanding the terms and conditions of housing loans/house financing</li><li>• Understanding the rights and responsibilities of a borrower</li><li>• Consequences of default</li></ul>
6.	The Importance of Managing Your Debts	<ul style="list-style-type: none"><li>• Factors contributing to indebtedness</li><li>• Consequences of unmanageable debt</li><li>• Importance of building and maintaining good credit history</li><li>• Advisory and redress services available to assist in better debt management</li></ul>