

# How financial education is important in today's world

[Finance](#)



Attention Getter: Financial education is as important

as academic qualifications. However, schools concentrate on academics and forget about this practical information. Today I want to talk about financial education since finances are everyone's woes, whether they work as oil experts, teachers, doctors, farmers, or programmers.

Most people think that financial education includes credit cards, loans, currencies, bonds, and stocks, but it is simply the planning and managing of expenses, income, and the future. The fundamental questions are as follows: What should you do with the money you earn? How much should you save or invest?

Listener relevance: I recommend that educators emphasize financial education in the same way they do core subjects in schools, such as sciences and mathematics. Ideally, students will recognize that obtaining knowledge on how to manage finances is as useful, later in life, as lessons in mathematics, biology, and other subjects.

Financial education is the understanding of how money works: how a person makes it, manages it, invests it, and donates it to other people. Specifically, it consists of acquiring knowledge and skills that allow people to make effective decisions about their financial assets. Financial education did not exist in the past since banks provided information to obtain clients. Over time, financial educators emerged outside the banks, and currently, many of them offer their services to the public.

Thesis statement: Many people do not understand the meaning of financial education or the benefits related to it. A fundamental component of <https://assignbuster.com/how-financial-education-is-important-in-todays-world/>

preventing fraud is investor education, which takes place during financial education. Participants in financial sector realize that learned investors are less likely to face disappointment due to their decisions on investments. Apparently, there is need for a better-educated population.

Preview: Today, I will discuss the meaning of financial education, as well as its importance in today's world. In addition, I will explain its importance to the learners in institutions, income earners, as well as to the whole nation.

Body: To start with, financial education is extremely important to learners in institutions.

Apparently, the future has serious challenges, especially for our children in schools. One of the core life skills in economic life and modern society is financial capability.

Students require education on finances to improve their future decisions related to this subject.

Teaching students in school about finances gives them a better understanding of how the world works and how to spend money wisely. Understanding finance at a tender age assists students with their future investments and jobs.

Schools can incorporate financial education in the national curriculum; for instance, they can insert it into the citizenship curriculum.

In turn, teachers can use the citizenship curriculum to equip their students with money management skills, which the latter can then apply successfully in the future.

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Transition: So, how is financial education important to income earners?

People with any source of income, no matter how small it is, should get a financial education.

In their 2018 book, *Budgets and Financial Management in Higher Education*, Barr and George assert that teaching people about managing money helps people understand the essence of saving for retirement.

The Teachers Insurance and Annuity Association-College Retirement Equities Fund (TIAA-CREF) is a financial services company whose research indicates that individuals with a highly literate plan for retirement finances have three times the wealth of those people who fail to plan for retirement.

In addition, individuals avoid bankruptcy and foreclosures due to financial illiteracy.

TIAA-CREF also conducted research and found that people with low levels of financial knowledge buy goods on credit, have little wealth, and fail to pay their balances monthly, resulting in accrued debts. Such people do not invest, and they do not understand their loans or mortgages terms.

Transition: Is financial education also important to the nation?

Financial literacy supports people's overall well-being, and it also helps ensure the economic health of a country over time.

As we all learned from the recent financial crisis, customers who can make informed decisions on finances will use their money in a way that improves

their lives. At the same time, it promotes economic stability in any country blessed by such human resources.

Philip Mader, in his 2018 article "Contesting Financial Inclusion," affirms that financial education programs play an essential role in reducing economic inequalities among nations in the world. Consumers must be equipped with financial knowledge to understand the financial products available.

I strongly support Robert Kiyosaki, who emphasizes the basis of economic theory, stating, "when the customers are knowledgeable, rigorous competition exists, as well as an efficient market."

So, let us all join the quest for financial education, through seminars or online websites, and learn the important lessons to put our nation in a top position concerning growth and education.

Transition: Are countries making an effort to promote financial education?

Several countries, such as the UK, the US, Japan, Canada, and Australia, have raised an interest in personal finance.

1. These countries have initiated state-run programs to educate citizens on financial management.

A recent 2003 project (Organization for Economic Co-operation and Development [OECD]) focused primarily on improving financial education in a number of countries.

In 2008, the OECD introduced the International Gateway for Financial Education (IGFE), a hub for research, learning, and financial literacy programs.

## Conclusion

Thesis statement: Today, we have discovered that financial education is necessary for all individuals, whether they are earning or not. It also enhances a nation's economy as a whole.

Main summary: Since we all know how to obtain financial education, we can focus on the future and incorporate it more thoroughly into learning institutions. Our children should receive a basic education on this subject as soon as they join school since they will become the parents, investors, and leaders of tomorrow.

Activation of audience summary: For the most part, when people want to invest a huge amount of money, they do not know exactly where to start. Besides, many people may not be sure of who to consult since the world is full of fraudsters. Thus, take seminars on financial education seriously, and you will learn more about finances. The Internet also contains abundant sources of information that people can make use of to educate themselves. Motivate your friends and relatives on what you have learned today, and I assure you that you will become better investors in the future.

Closing: Promoting financial education will have a great impact on individuals as well as on their potential for their future. Investments require people with financial knowledge since fraudsters take advantage of financially illiterate

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customers. A country requires its citizens to understand how to manage their money so that healthy competition in the markets can take place.

## **Works Cited**

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- Mader, Philip. "Contesting Financial Inclusion." *Development and Change*, vol. 49, no. 2, 2018, pp. 461-83.
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