

Bridging the Financial Literacy Gap: Empowering teachers to support the next generation

"Academic qualifications are important and so is financial education. They're both important and schools are forgetting one of them and that is financial education. That's why there are so many intelligent broke people in this world."--Robert T Kiyosaki

As stated in the Journal of Consumer Affairs, “. . . young people are leaving School without the basic skills to manage their personal financial affairs, putting them at a high risk for not being able to plan responsibly for their financial future.” In order to obtain competence in financial literacy, consumers and/or students must understand the problems faced in the marketplace. They must have the training to discern the best way to protect them from becoming victims of financial ignorance. This ignorance can be tempered through financial education. Educating our future leaders about personal finance becomes a pressing issue.

Our nation’s teachers are critical to helping curb the gap in financial education. While the responsibility of financial education has traditionally been left to parents and guardians, K-12 educators increasingly view it as a shared responsibility that schools can and should take on, starting in the early grades. Educators see the value of teaching students to budget, prepare for the future and become better financial decision makers. But educators need more support to adequately teach these skills.

Financial literacy is a core life skill for participating in modern society. Children are growing up in an increasingly complex world where they will eventually need to take charge of their own financial future, so we can say financial literacy is the achievement of skills necessary to make informed and effective decisions regarding earning, spending, and the management of money. Financial literacy is more important than ever in today’s world. Financial education can make a difference. It can empower and equip young people with the knowledge, skills and confidence to take charge of their lives and build a more secure future for themselves and their families. Supporting financial education can be viewed by the main public, private and civil stakeholders as a critical long-term investment in human capital. Financial education is a long- term process. Building it into curriculums from an early age allows children to acquire the knowledge and skills to build responsible financial behavior throughout each stage of their education. This is especially important as parents may be ill-equipped to teach their children about money: levels of financial literacy are generally low around the world as per different surveys and Reports coming in the market time to time.

“One of the reasons the rich get richer, the poor get poorer and the middle class struggles in debt is because the subject of money is taught at home, not at school.” Robert Kiyosaki, Educational Entrepreneur

Why is it important for students to be financially literate?

Financial literacy is a lifelong skill that may not have been fully recognized in the education of many students and is an important part of the broader concept of literacy.

- **Financial literacy education provides a critical set of lifelong skills.** The skills that students acquire prepare them for life after graduation and will support the development of their economic security, health, and well-being throughout their lives – which in turn will contribute to the strength of our society as a whole.

- **Financial literacy can improve prospects for the success of every child.** All students are entitled to the opportunity to develop financial literacy as part of their education. Financial literacy will empower students to make informed decisions about their finances in the future, and will help to improve their confidence and self-esteem.

- **Financial literacy contributes to the development of knowledgeable, compassionate citizens.** Public education has a responsibility to transmit to students not only the knowledge and skills required for academic learning but also the habits of mind and heart that are necessary for good citizenship. Financial literacy education needs to provide an understanding of responsible, ethical, and compassionate financial decision making in order to contribute to meeting that goal.

To sum up above points we can say students need to be financially literate to make more informed choices in a complex and fast-changing financial world with an understanding of the implications of their decisions and with the necessary problem-solving and critical- thinking skills, students will be better equipped to function in today's financial environment.

We live in a world where financial decisions are becoming increasingly complex, and where ways of accessing financial products and services are multiplying rapidly. People need a wide range of skills and knowledge to make informed choices and to manage the risks involved.

It is in this context that financial literacy is capturing the attention of governments around the world.

Financial literacy in schools: where we are now? What is the current status of financial literacy education in the curriculum?

As per surveys and research documents at present not all students will be exposed to financial literacy teaching and no course covers all aspects of financial literacy.

The current elementary and secondary curriculum provides many opportunities for students to learn about financial literacy topics.

At the elementary level, in mathematics, students develop skills in problem solving and an understanding of numbers, quantity, proportional relationships, and equations. Through their exploration of media in the language curriculum, they develop the critical thinking and analytical skills that they will require as citizens and consumers. In social studies, they learn how decisions about the use of available resources contribute to the well-being of families and communities.

At the secondary level, the skills and concepts associated with financial literacy are addressed most frequently in the curriculum for business studies. Students already have opportunities to acquire some of the fundamental skills needed for financial literacy. The challenge is to find the most effective ways to build on the existing foundation in order to strengthen the financial literacy of all students in schools.

The need to focus on core content and competencies for financial education

There is widespread agreement on the importance of financial literacy education and on many of the key topics that should be included. The development of core competencies for financial literacy continues to be the focus of research around the world.

As per experts and research specific topics that need to be covered in financial education programs.

: • the concepts of income, money, earning, saving, spending, investing, budgeting, credit and borrowing, risks and rewards, compound interest, pensions, insurance, taxes, and planning ahead;

- How the financial system works;
- The difference between wants and needs;
- Consumer awareness and advertising;
- Fraud and its consequences;
- Future consequences of financial decisions;
- How to plan for life after high school.

It was also noted that a significant number of learning expectations now in the curriculum relate in some way to these financial topics.

Millennial teachers are champions of financial education. Younger teachers are stronger supporters of teaching financial education at an early age, and use classroom time to do so. Millennials see the value of financial education because they experienced the biggest economic recession since the Great Depression. They are also struggling with multiple sources of loans and debt as they try to establish their careers and place in society as adults. The generation is therefore keenly aware that financial knowledge is critical to their students' economic success. Teachers see tremendous benefits in providing financial education to our kids. Educators say financial education helps students learn to budget, to understand debt, to prepare for the future, and to think critically. Educators clearly view financial education as an opportunity to set their students on the right path for success later in life.

The Benefits of Financial Education

1) PREPARE FOR THE FUTURE 2) UNDERSTAND DEBT 3) LIFETIME SKILLS 4) CRITICAL THINKING LEARN RESPONSIBILITY 5) LEARN INDEPENDENCE 6) LEARN THE VALUE OF MONEY 7) PRACTICAL KNOWLEDGE

8)LEARN TO INVEST 9)BASIC HANDLING OF MONEY 10)INCOME MOBILITY MATH LITERACY
11)IMPROVED QUALITY OF LIFE 12)FINANCIAL STABILITY/SECURITY 13)INTERPRET PERSONAL
FINANCIAL DOCUMENTS 14)IMPROVED FUTURE STRENGTH OF THE ECONOMY/COUNTRY 15)LEARN TO
USE FINANCIAL TOOLS

Conclusion:-

Despite teachers' support of financial education, there are a series of obstacles to overcome in order to make it a more regular part of classroom instruction. Teachers need appropriate curriculum materials, more professional development and more take-home resources to share with families. In addition, school stakeholders need to recognize that personal finance is a fundamental skill to college and career readiness. In order to bridge the gap between educators' support for financial education and the current lack of resources, we must push for systemic support of financial education, such as opportunities to teach business and economics at all levels, starting in elementary school. We must also work to connect teachers with high-quality financial education materials that align with proven standards. Finally, we need to expand professional development and training for financial education so that teachers feel as comfortable teaching personal finance as they do reading, writing or math.

BY:-

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