

Attaining financial wellness through Financial Literacy

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Education has become accessible to most people in the world. Despite this development, one might wonder why are so many people poor even after attaining so many degrees? There are various reasons why this is so. One of the reasons why many educated people are poor is because financial education is not given in schools. Pausing and taking a moment to reflect one gets to see that each time the word education is mentioned the first thing most people think about is school and the assumption is that school should teach children everything about life. Well, the opposite is true, take for instance you can be a pilot and know everything about flying, unfortunately, that does not mean you know anything about money.

In fact, you can be an accountant who does calculations about millions of dollars but again it does not mean you know anything about money. The reason why most professionals don't know about money is school was not designed to give education about money and it does not matter how long or how many years or degrees you get in a formal education system you will still not know anything about money. And because most people do not know anything about money they are dead broke even if they have 4 degrees. This leaves one to wonder what's the way out. People should get financial education by reading good books or listening to audio pieces of training about money.

Financial education is the process of building knowledge, skills, and attitudes to become financially literate. It is meant to educate people on good money management practices with respect to earning, spending, saving, borrowing, and investing. Financial education is meant to enable people to shift from reactive to proactive decision-making and work towards fulfilling their financial goals. By broadening people's understanding of financial options and principles, financial education builds skills to use financial products and services and promotes attitudes and behaviours that support the more effective use of scarce financial resources. Financial education is a key pillar of financial inclusion. Financial education should be able to assist the ordinary man to understand the need and benefits of the products and services offered by formal financial institutions. These include; ability to access affordable credit, reduced amount of financially risk, ability to budget and manage money or plan for the unexpected and ability to make the most out of their money among others.

The Big Secrets of Money Management – How to be Financial Literate:

1. Eat first ahead of the pack like a lion by saving money first and live off the rest. Saving must become a priority. Take at least 10% percent of your income into a savings account, piggy bank or make an investment. The earlier you start the more wealth you create.
2. The Leopard never lets its prey out of sight, likewise never let your money out your pocket without creating a financial plan. Have a vision for the future by making concrete and achievable goals. Have short, medium and long-term goals that you want to save for. Create a financial plan first before spending and stick to it!

3. Learn what you earn, know what you owe and comprehend what you spend. Be like the African elephant which never forgets. Knowledge is power!
4. Debt is the worst financial enemy one can have, it poses the greatest threats to a financially stable lifestyle. Instead of being in debt rather be like the Rhino, she often has to weigh her options. The only option she does not have is not to deal with the threats. However, when threatened the Rhino charges down the predator to protect itself, thus when in debt charge down your debt quickly with the most expensive fastest.
5. Protect your assets, make your money work for you. One can do this through investing. Ensure you invest your money in a particular investment partner after you have done a risk assessment, **AVOID GET RICH QUICK SCHEMES**. Be patient after an investment to allow your money to grow. Learn from the Buffalo, it steadily grows and protects its heard, knowing its strength and future are in numbers.

Importance of Financial Literacy

1. Financial Literacy will help you achieve your goals whether you are an employee, you own your own business, want to raise a family, or to retire to a desert island. Making thoughtful and informed decisions about your finances is more important than ever.
2. It can help one to develop the skills to compare and select the best products for their needs and empower them to exercise their rights and responsibilities in the consumer protection equation.
3. Properly designed, financial education is tailored to the individual's specific context, helping them to understand how financial instruments, formal or informal, can address their daily financial concerns, from the vagaries of daily cash flow to risk management.
4. Its power lies in its potential to be relevant to anyone and everyone, from the person who contemplates moving savings from under the mattress to a community savings group, to the saver who tries to compare account choices offered by competing banks.
5. It spans the informal and formal financial sectors, supporting clients' access to, and more importantly, the use of, diverse financial services.
6. Improving financial literacy has a beneficial flow-on effect to the broader economy, increasing levels of enterprising financial behaviour and greater participation in financial services and markets by confident and informed consumers and investors.

Financial literacy helps school educated people to make effective financial decisions and less likely to make financial errors which will result in them being knee-deep in financial woes. This will help improve their financial worth. Smart financial skills and efficient management of finance are of importance for one to attain financial wellness.

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