HOW IMPORTANT IS FINANCIAL LITERACY?

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Financial literacy is important nowadays especially in this pandemic time as it helps us manage well the financial resources that we have. It is very timely to educate everyone on this because it helps us to become self-sufficient and achieve financial stability. As a result of the recurring lockdown that we have in our country, we are surprised with the resurging amount of bills, shortage of supplies and even losing some jobs. Literacy will help us create roadmaps that will make us to decide financial decision on our everyday lives.

Based on an online publication named Conektome, they have provided seven reasons on why Financial Literacy is important. First, it helps us understand the value of money so we can handle our finances better. We can properly manage our budget if we determine our wants and needs. It is important that we prioritize our needs and save later for our wants. Second, it saves us from acquiring too much debt. Because of the well-known reputation of the Department of Education on getting loans, this might be the most important reason on why we should educate all teaching and non-teaching personnel on financial management. Through this, we can be informed on how much loan we can acquire and how much we can afford to pay. Too many debts can cause us too much trouble if we are not aware of our financial stability. Third, it allows us to impart our knowledge on financial literacy to the younger generation. By educating the younger generation, we can help them save for their future and be financially independent. We should also impart knowledge to their knowledge to be responsible enough and be street-smart when making financial choices. Fourth, it helps us to prepare better during times of emergency. Example of this is the situation that we have right
now during this Covid-19 pandemic. It will help us in times of emergency because of our saved funds instead of getting worries from borrowing money. Fifth, it enlightens us to invest and create income streams. Being financial literate will encourage us not to just rely on one source of income. It will also help us invest on stock market at an affordable price according to our income or resources and will help us build a network of people who can help us manage our investments properly. Further, creating online or small business is one way of investing to add account to our savings. Sixth, it gives us opportunity to help boost our country’s economy. Being owners of small business can contribute on this. Even investing on different banks, companies or real estate can create more job opportunities for other people which lead to building a progressive nation. Seventh, it gives us the privilege to help the less fortunate. Because of the savings that we acquire through educating ourselves on financial management, we can be able to provide a certain amount of what we have to the people in need. With the saying goes, “Share your blessings”, it is a great fulfilment that we can share a little bit of what we have.

It is still not too late on learning the different ways on developing your own financial literacy plan. More so, attending to different financial literacy programs is also part on investing knowledge for your future use. Just remember what Mr. Kim Atienza always say, “Lamang ang may alam.”

Reference:
https://www.conektome.com/blogs/7-reasons-why-financial-literacy-is-important/