A REVIEW OF ECONOMIC EDUCATION AND THE ATTAINMENT OF FINANCIAL LITERACY

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ABSTRACT

Financially informed consumers should, logically, make better decisions for their families, so improving their financial stability and well-being. Families who are secure are better equipped to donate to vital, thriving communities, which help to support community economic development. The effectiveness of financial literacy education programmes and interventions for children and adolescents is evaluated in this comprehensive research review. In addition, the important criteria of a good financial-education curriculum's design are described. "Experiential learning" is a potential strategy for teaching financial literacy to children and adolescents in primary and secondary school. In college, the emphasis should be on students' specific "life events." The findings could aid in the development of a successful school-based financial education programme.

Keywords: Financial Literacy, Financial Education, Pedagogical Characteristic.

INTRODUCTION

Financial literacy is commonly seen as vital in today's increasingly complicated world, and thus as an integral aspect of education. This is in keeping with the development of school curriculum that emphasise active civic development. Citizenship entails autonomy, liberty, and accountability, even in financial affairs (Grimes Paul et al., 2021). As a result, *"economic citizenship"* is a critical part of citizenship that has gotten little emphasis in citizenship education curriculum thus far. Children and adolescents can only function optimally as citizens if they are financially empowered and capable; financial education, social education, and financial inclusion are the building blocks in this regard (Luhrmann et al., 2015).

Individuals today are more accountable for their personal finances than ever before throughout their lives. Pension and social assistance systems are being stressed as life expectancies rise. Employer-sponsored defined benefit (DB) pension plans are rapidly giving way to private defined contribution (DC) pension plans in many countries, transferring responsibility for retirement saving and investment from employers to employees. Individuals have also been affected by work market developments. Skills are becoming increasingly important, resulting in a salary gap between those with a college diploma or higher and those with less education. Simultaneously, financial markets are undergoing fast change as a result of technological advancements and the introduction of new and more sophisticated financial products Lusardi & Mitchell (2014).

People's financial literacy is an important predictor of their capacity to make sound financial decisions. Financial literacy, as defined by the Organisation for Economic Co-operation and Development (OECD), includes not only knowledge and understanding of financial concepts and risks, but also the skills, motivation, and confidence to apply that knowledge and understanding to make effective decisions in a variety of financial contexts, to improve individuals' and society's financial well-being, and to enable participation in economic life. As a result, financial literacy encompasses both knowledge and behaviour, and this article will look at research on both.

It's critical to evaluate if people are competent to negotiate the maze of financial decisions they face every day in the context of quick changes and constant advances in the

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financial industry and the larger economy (Peng et al., 2007). To give people the tools they need to make better financial decisions, one must examine not only what they know but also what they need to know, and then measure the gap between the two.

Patterns of vulnerability among various population groupings compound low financial literacy on average. Even if educational attainment is favourably connected with financial literacy, as demonstrated by Lusardi and Mitchell, it is not adequate. Even the well-educated individuals are not always financially smart. Young people have a low level of financial literacy Sekita (2011).

Alternative financial services such as payday loans, pawnshops, and rent-to-own stores, which charge extremely high interest rates, are becoming increasingly popular. Simultaneously, people are becoming more responsible for personal financial planning, as well as investing and spending their resources throughout their lives, as the economy changes. We've seen shifts in both the asset and liability sides of family balance sheets.

CONCLUSION

Even in some of the world's most sophisticated financial systems, a lack of financial literacy is a serious challenge that requires quick attention. The Big Three financial literacy questions go a long way toward finding aggregate disparities in financial knowledge and emphasising risks across groups and across subjects of interest, making it easier to construct personalised programmes. Many of these programmes to teach financial education in schools, colleges, businesses, and the general public have used existing evidence to develop robust solutions. It's critical to keep making progress in fostering financial literacy by scaling up and streamlining future programmes.

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