

College Tour Topic of the Month – Financial Empowerment

Well-informed, well-educated consumers have the potential to make better decisions for their families, increasing their economic security and overall well-being. Secure households and families are better able to contribute to vital, thriving communities and foster community economic development. An effective and efficient marketplace requires knowledgeable consumers who make informed choices. Therefore, financial literacy is important for the individual, family, and community.

Financial literacy education is designed to help individuals become financially literate through a series of educational components that include understanding banks and banking services, borrowing basics that will cover basic credit issues, how to choose and manage a checking account, budgeting basics, how to save money by paying yourself first, consumer rights, a more advanced class on credit and how that affects your ability to borrow, credit card management, overview on loans and how to borrow money wisely and an overview on homeownership. These topics are key life skills geared towards college age young adults.

Financial literacy across the lifespan is a critical issue. There are stories in the press on a weekly basis describing the destitute financial plight of the elderly and the lack of financial knowledge of young people. Despite the critical importance of financial literacy to young people, the average student who graduates from high school lacks basic skills in the management of personal financial affairs. Evidence would seem, therefore, to point to a lack of understanding of sound financial principles and the significant consequences of the lack of that knowledge. “Family financial failures have both personal and societal costs.” (Hira, 3) Certainly the additional stress on family members and family relationships is detrimental to overall health. And, there is a correlation between family violence and family stresses such as financial problems.

Get educated on basic financial principles so you can become a better informed consumer. For additional information and feedback, e-mail us at collegetour@vhda.com.

References

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