

Guideline FLIT

Financial education with adults in a
broader context





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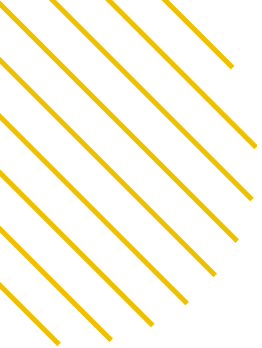
INTRODUCTION

FLIT – Wings to Fly is a small-scale project developed by PROACTING (Portugal) with A.D.E.L. (Slovakia), Walktogether (Bulgaria), and Weltgewandt (Germany), which focuses on Financial Literacy.

This project emerged after identifying a common social problem recognized in different countries, which limits the economic and social evolution of societies: social exclusion of the adult population due to the lack of economic and financial knowledge.

Regarding the general population, according to data from the European Central Bank (2020), Portugal is the lowest in a ranking of 19 countries concerning financial literacy, representing a percentage below 30%. Slovakia follows this negative pattern, with a less than 50% percentage. On the other hand, Germany escapes the negative picture of these countries and presents rates above 60%, the country that leads at the top of the ranking. As for Bulgaria, although there is no data from this recent study, we can understand from other sources that the situation is equally concerning. According to The Organization for Economic Co-operation and Development (OECD) in 2020, "The overall level of financial literacy in Bulgaria is 58% (...). Bulgaria is slightly above the average level for the region, but below the average level for EU member states.". Moreover, based on the evidence provided by the OECD/INFE 2020 International Survey of Adult Financial Literacy concerning the financial knowledge level score, Portugal and Bulgaria are below the average of 4.4, having obtained scores of 4.0 and 4.1, respectively. Furthermore, according to the National Bank of Slovakia (2017), "only 17% of non-retired adults can correctly answer all the financial literacy questions asked in the survey".

The inability to identify and understand concepts, ensure balanced financial management, save, and establish limits on personal expenses are difficulties evident in the adult population that contribute to the perpetuation of scenarios of exclusion, poverty, and precariousness, leading to a lower number of active and contributory population and stagnation of economic and social evolution. These parameters aggravate when we have adults in situations of vulnerability.



In this sense, FLIT - Wings to Fly main objective is to combat social exclusion as a result of the low economic and financial knowledge of the adult population. In addition, this objective is subdivided into two specific objectives: a) the empowerment of adult educators to work with vulnerable ADU learners through recognition, experimentation, and validation of financial education practices and knowledge, and b) the empowerment of vulnerable adult learners, through the development of vital and entrepreneurial competences (mainly economic and financial). In addition, it will contribute to the Sustainable Development Goals (SDGs) adopted by the United Nations, namely to "empower and promote the social, economic and political inclusion of all" (SDG 10) and "ensure that all men and women in particular the poor and the vulnerable, have equal rights to economic resources" (SDG 1).

This guideline's primary purpose is to provide theoretical and practical guidance on how to intervene in the empowerment of vulnerable adults regarding financial education.

Primarily, it will delve into the project conceptualization, explaining the needs and characterizing the target groups and the activities implemented to achieve the proposed objectives. Subsequently, it will address the topic at hand, explaining financial literacy in a broad scope, and afterward, a brief characterization of the target group present during the local sessions (migrants, women, young adults, rural areas) and why it is crucial to empower them regarding financial literacy. The main content of the guide will consist of the difficulties these populations may feel during the learning process and how to address them, aspects that might facilitate the learning process, and some tips and guidelines to consider.



FINANCIAL LITERACY

a broader concept

Financial literacy encompasses the proficiency in understanding and effectively employing various financial skills, such as managing personal finances, creating budgets, and making informed investment decisions.

The lack of financial literacy can be very damaging to someone's long-term financial success as well as their day-to-day life. Even so, extensive research indicates that the lack of financial literacy is very common globally, particularly among students, women and people without business training and those who lack professional experience.

The risks associated with financial illiteracy are various. They can increase the chances of accumulating debts (short and long-term financial mismanagement), missed opportunities and a potential impact on the economy. Moreover, this lack of financial knowledge can lead the individuals to fraudulent schemes (scams) and predatory financial products, leading to financial losses. On a personal level, it can lead to high levels of anxiety and stress, as well as impact interpersonal and familial relationships.

It is well known that Financial Literacy also correlates with other aspects of our life. For instance, research uncovers interesting connections between understanding money matters and getting involved in politics, specifically in voting, across 91 countries. here is a positive link between knowing basic economic and financial concepts, measured by the Standard & Poor's indicator, and taking part in elections. What's noteworthy is that financial literacy, which is different from regular school education, emerges as a unique aspect of personal skills that could impact how people engage in civic activities. The study breaks down the connections between financial literacy and school education, showing nuanced relationships at various educational levels. Significantly, financial literacy stands out as a strong factor in explaining why people vote, more so than other education indicators.



In essence, we should promote financial literacy through education, always looking for guidance from financial professionals, and continual learning about personal finances to make informed financial decisions that positively impact their lives and long-term financial security.



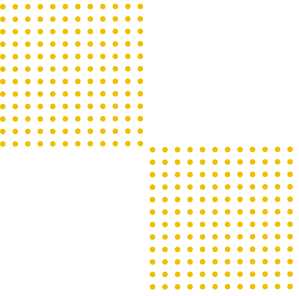
CHARACTERIZING THE TARGET GROUP

MIGRANTS

Migrants often find themselves in a challenging position when it comes to managing their finances due to the unique circumstances of transitioning to a new country. The unfamiliarity with a host country's financial laws, regulations, and cultural nuances significantly increases the likelihood of making unintentional financial errors.

Even though we can confirm that being financially literate is a way of stepping out of poverty, in this specific group, the significance of financial literacy extends beyond mere economic considerations, encompassing crucial factors that contribute to successful integration and personal autonomy. For migrants, being financially literate, in a way they develop financial competencies to understand the social context of the new country, make adequate decisions, and actively participate in the economic life of the host country, which serves as a gateway to entering their new community more successfully. This means the more equipped they are to make financial decisions, the more likely they will reach independence and integrate into their new communities successfully.

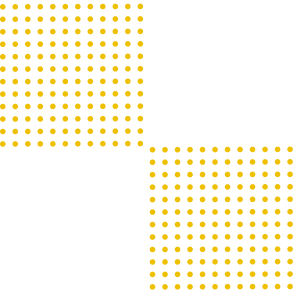
However, there are several barriers to the financial inclusion of migrants, primarily rooted in cultural and social attitudes, alongside challenges related to trust and confidence in the financial system. For instance, migrants and their families have very limited experience with credit. A large percentage still don't have a consumer loan or a credit card. Others include limited knowledge, skills, low levels of financial literacy, and inadequate provision of financial education to migrants. In fact, there are two crucial "teachable moments" in the migration process: first, before migrants embark on their journey to the host country, and second, when their relatives' collect remittances. Prior to departure, migrants navigate a series of decisions that profoundly shape their futures and those of their families.



The correlation between the financial literacy of migrants and entrepreneurship is evident. It was highlighted in some studies that there is a higher proportion of self-employed migrant workers compared to native workers. However, despite their entrepreneurial spirit, migrants encounter more obstacles than the native citizens already living in that country. These challenges encompass difficulties in accessing financial resources, navigating regulatory complexities, managing tax burdens, and a general lack of guidance and support.

Finally, in order to bridge the gap between migrants and their level of financial literacy, it is necessary to develop workshops in an effective way by starting with a needs analysis and evaluating their process throughout the seminar. In sum, these are a few steps that should be implemented in the hosting countries:

- Providing Financial Literacy Classes/ Seminars
- Online Resources
- Providing Mentorship Programs
- Connecting Migrants to Financial Coaches



WOMEN

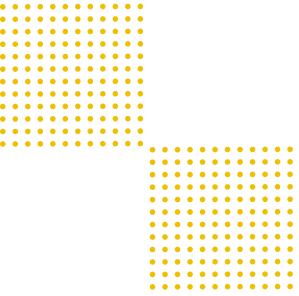
Despite financial illiteracy being a systemic issue prevalent across the population, it's evident that even in contemporary times, women exhibit lower levels of financial literacy. This proficiency holds a significant role in their independence and is intricately linked to empowerment, impacting various facets of their daily lives and proving crucial during emergencies or unforeseen circumstances.

Across history, men traditionally had greater access to education compared to women. However, with the implementation of mandatory education, this pattern has noticeably shifted in recent generations. For a long time and even nowadays, there existed a stereotype that the domains of economics and finance were primarily suited for men. We can be aware of this not only in households but also in higher education and professional careers, which were predominantly occupied by men in these fields.

The limited financial literacy directly affects women's lives by making them more cautious towards taking risks. Besides the historical context, Monticone (2023) presents other factors that might explain this illiteracy, including women's lesser self-confidence in financial skills compared to men and the ongoing struggle against entrenched social norms and gender stereotypes. Furthermore, given that women often shoulder the primary responsibilities for family care, these duties act as barriers to financial literacy.

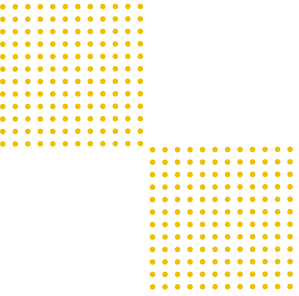
Financial illiteracy adversely affects women in numerous ways:

- In long-term planning, like inadequate preparation for retirement or an inability to devise successful plans
- Self-confidence, with women typically rating their financial literacy lower than men in self-assessments
- Managing daily routines, encompassing coping with rising costs, inflation, and independently handling finances.



As previously stated, financial literacy directly correlates with women's empowerment. By enhancing financial literacy through budgeting, investing, and debt management, many women can realize their professional aspirations and personal goals. Moreover, studies indicate that financial literacy disrupts the cycle of abusive relationships (whether familial or marital), enabling informed decision-making and the attainment of autonomy, thereby fostering a more equitable and empowered society.

In this sense, capacitating women to be financially literate has become an important topic nowadays and some strategies have been analyzed. Some methods such as education initiatives, online resources and workshops, and mentorship programs can be an option to promote and improve women's financial literacy.

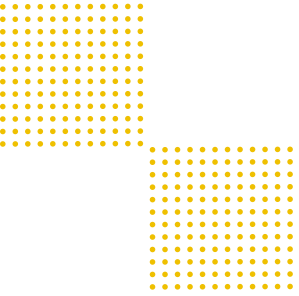


YOUNG ADULTS

We may believe that today's young adults are better prepared and more educated about financial literacy. These assumptions stem from the fact that this population is generally more educated, has more contact with digital media, and, in turn, can more easily access sources of information.

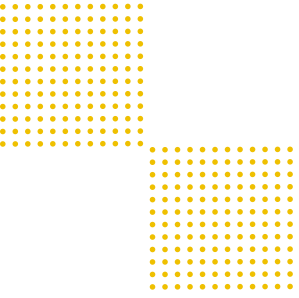
Contrary to what we might think, financial illiteracy among this group is a reality that is present nowadays. As a matter of fact, young adults are considered a vulnerable population that lacks sufficient knowledge to make critical financial decisions. Moreover, less than one-third of young adults possess basic knowledge of financial terms like interest rate, inflation, and risk diversification. This is also evidenced by the increasing number of young adults between 18 and 30 who have financial difficulties. Among other factors, this may be attributed to their current transition from dependence on financial support to financial autonomy. It is also known, according to a study carried out by Utkarsh and others (2020), that around 37% of the participants (young adults) in their research worry about meeting their monthly living expenses and consider expense management difficult, 23% are not satisfied with their financial situation, avoiding leisure activities due to the lack of finances, and, approximately 32% felt overwhelmed or worried about their current financial condition.

The perpetuation of poor economic and financial knowledge within this age group contributes to unsafe financial decisions and a decrement in satisfaction and, in addition, it is related to the easy access to plastic money to generate compulsive buying behaviour. Besides that, stress may be high in young adults facing debt accumulation or who lack financial literacy and, therefore, can't prevent themselves from these circumstances.

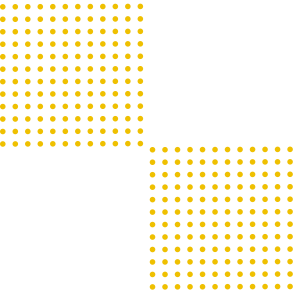


Socioeconomic factors play a vital role in ensuring financial stability. According to the process of Financial Socialization, an individual can acquire and develop values, attitudes, standards, norms, knowledge, and behaviours that influence financial planning and behaviour, promoting economic well-being. Research tells us that socio-democratic factors and the financial knowledge of the family are the two most important factors that influence a young adult's financial literacy level. Some studies have shown that the role of the parents and their financial knowledge and behaviour are more relevant than learning opportunities in school, especially for young adults. Therefore, parents who often talk about and manage money are more likely to influence young adults in a positive way. On the other hand, in the presence of insufficient financial education within their family members, other sources of information, like peers and advertisements, can become more influential. For instance, children whose parents had given them pocket money could better develop their financial habits later in life. Additionally, young adults who were motivated and instructed to save early improved their savings rate.

A large percentage of this group wants to know more about financial literacy. Among other reasons, the literature shows us that what motivates this is the fact that young adults often view money as something capable of providing power. The proverbial power that the participants of this study refer to underlines being successful, which for them means owning socially accepted things, for example, certain branded clothing, owning an apartment, a house, or a car. Contrary to the aspects that incentivize young adults to become more financially literate, there are also attitudes that influence them in an opposite way. Utkarsh and others (2020) state that young adults tend to avoid financial discussions or ask financial questions for fear of appearing ignorant/uneducated or of being judged. This creates a 'negative loop' because by not actively engaging in acquiring financial knowledge, they became less informed, ironically encouraging their ignorance.



In this sense, capacitating young adults to be financially literate has become a critical topic since, as we all know, their decisions can impact their future. Thus, it is better to make an informed decision than to base their choices without having basic knowledge on the topic. Without proper knowledge, young adults are more vulnerable to financial threats due to their lack of experience in the financial field, hindering them from saving early in their lives, which hampers the accumulation of their future savings. Furthermore, being financially literate can be a way to avoid debt accumulation and, in turn, unsatisfactory achievements and the degradation of the overall well-being of an individual.



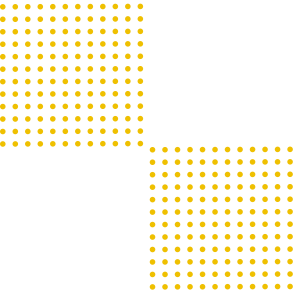
RURAL AREAS

According to National geographic rural areas are considered as low populated areas with not so developed infrastructure and the population density is on a low level. Agriculture is the most common source of livelihood and most people live on farms, ranches, and other small settlements.

Today, nearly 30% of the European population lives in rural areas - a total of 137 million people - covering 80% of the EU's territory. However, the current situation in rural areas raises concerns: desertification and the decline of public services are leading to alienation and political discontent across the continent.

Financial literacy in these areas is a critical skill that empowers individuals to make informed financial decisions, manage their resources effectively, and plan for a secure future. In some countries, there is a growing concern about the financial literacy of individuals residing in rural areas. Additionally, findings from the OECD/INFE Financial Literacy Survey of Adults in SEE (OECD, 2020[1]) and observations gathered during a regional workshop on financial literacy for rural populations conducted in 2020, indicate a notable shortage of specialized financial education initiatives. This underscores a substantial opportunity for proactive measures to cater to the financial literacy needs of these populations. Moreover, according to this study, the levels of financial literacy in these areas appear to be lower when compared to the levels of people who live in urban areas.

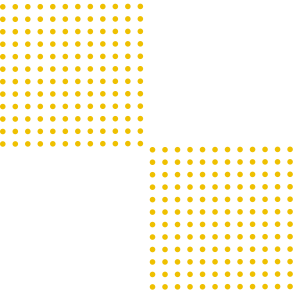
A lower level of financial knowledge among individuals in rural areas increases their vulnerability to various financial threats and risky behaviors. Limited risk mitigation skills may result in a higher susceptibility to scams, fraud, and other deceptive financial practices. Additionally, inadequate planning for contingencies due to a lack of financial literacy can lead to difficulties in setting aside emergency funds or making informed decisions during economic challenges.



Financially vulnerable individuals are more prone to predatory lending practices and exploitative financial schemes, as their lack of awareness makes them susceptible to deceptive offers. Moreover, the absence of a solid understanding of interest rates, credit scores, and debt management increases the risk of accumulating unmanageable debt, leading to financial stress and a cycle of indebtedness. Addressing these challenges through targeted financial education initiatives is crucial to empower individuals in rural areas, mitigate risks, and promote more informed and secure financial behaviors.

When underlying the importance of financial literacy in rural areas, we need to take into consideration the full perspective. This means we need to keep in mind rural development, which is a vital area for the competitiveness of farms, forestry, and agro-food enterprises since family farms are one of the forms of businesses that dominate employment in rural areas. This plays a key role in ensuring sustainable natural resource management, addressing climate action, and fostering growth and job creation in rural areas. We also need to think about the socioeconomic factors: in general, the rates of youth unemployment are high and this population are at risk of poverty, economic vulnerability and social exclusion.

Last, but not least, it's important to reflect on their educational background and cultural dimensions. Some studies report that the quality of education and educational achievement are lower in these places, preventing the development of essential financial skills and contributing to low levels of financial literacy. Additionally, in rural settings, values exhibit greater stability and evolve more gradually compared to the faster pace of change in urban areas. Consequently, residents in rural areas are inclined to uphold existing perspectives and are generally more resistant to change.



If we aim to improve financial literacy in rural areas, it is crucial to develop tailored financial education programs, increase access to financial services, as this lack of exposure and contributes to unfamiliarity with various financial products and services, impeding individuals' ability to make informed choices and raise awareness about the importance of financial literacy. But, most importantly, these efforts should consider the unique challenges illustrated before and other barriers such as limited access and exposure to financial services, lack of role models, economic disparities, or even the pronounced digital divide in rural regions since this limits the opportunities to enhance their financial knowledge through modern means, as limited access to digital tools and online resources persists.

In this sense, some programs were created to help address the issue of financial literacy, such as "Grass Ceiling" which supports rural communities by improving women's access to financial services.

The European Union offers agriculture and rural development - funding opportunities, and there is also the possibility to use The European Regional Development Fund, which is designed to strengthen economic, social and territorial cohesion in the European Union.

DIFFICULTIES IN THE LEARNING PROCESS

and how to address them


In today's complex and ever-changing financial landscape, the importance of financial education cannot be overstated. It equips individuals with the necessary knowledge and skills to make informed decisions about their personal finances, investments, and long-term financial goals. While financial education is valuable for people of all ages, this part of the guide focuses on the challenges faced by adults in the learning process. Despite the growing recognition of the need for financial literacy, adults encounter several difficulties that hinder their ability to effectively acquire and apply financial knowledge. Some of the struggles found in the learning process when teaching financial education to adults are easy to identify, but others require long-term practice as an educator in order to categorize it. For that purpose, we will divide them into groups of more common and less common challenges.

More common challenges are:

At first, lack of knowledge and experience. Adult learners often lack the financial knowledge and experience necessary to understand the key concepts involved in financial education. This can lead to difficulties in understanding the class material and in participating in class discussions. The lack of knowledge and experience can also lead to embarrassment or frustration, making learning more difficult.

Second, the limit of access and resources is one of the most prominent reasons of any literacy. Many adult learners have limited access to resources such as books, webinars, or other materials which can help increase their financial knowledge. This can make it difficult for them to stay informed on financial education topics and engage in online learning.

Third, in the fast-running life, most of us lack time. Many adult learners are juggling family, work, and school at the same time. This can lead to difficulty in finding the time to complete assignments or participate in online forums and discussions.

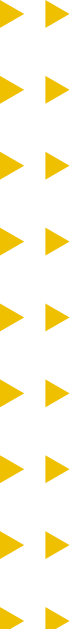


Fourth, when we are talking about enhancing knowledge, most people should have certain level of inspiration to do it, therefore the limited motivation to learn financial education can be one of the reasons. This can be either due to a lack of interest or the belief that there is no need to learn the material. According to the S&P Global FinLit Survey Financial literacy rates vary widely across the European Union . On average, 52 percent of adults are financially literate, and the understanding of financial concepts is the highest in northern Europe. Denmark, Germany, the Netherlands, and Sweden have the highest literacy rates in the European Union: at least 65 percent of their adults are financially literate. Rates are much lower in southern Europe. For example, in Greece and Spain, literacy rates are 45 percent and 49 percent, respectively. Italy and Portugal have some of the lowest literacy rates in the south. Financial literacy rates are also low among the countries that joined the EU since 2004. In Bulgaria and Cyprus, 35 percent of adults are financially literate. Romania, with 22 percent financial literacy, has the lowest rate in the European Union.

Other reasons that have been identified are:

Fear of failure: Some adult learners may be afraid of failure, especially in an area as important as finances. This can lead to avoidance of the course material or lack of confidence in their ability to complete the course. Despite these difficulties, adult learners can be successful in financial education courses with the right instruction. Financial education facilitators need to create an environment where adult learners feel comfortable with the material and feel empowered to take control of their finances. Providing multiple resources and support systems, and tailoring instruction to the specific needs and interests of adult learners, can increase the chances of success.

Difficulty Understanding Complex Financial Concepts: Many financial concepts and principles can be difficult to grasp, especially for those with limited financial literacy background. Educators must break down these complex concepts into simpler and more easily understandable terms in order to be effective in teaching these concepts to adults.



Difficulty Applying Lessons in Real Life: Adult learners may have difficulty applying what they learn in a financial education course to real-life situations and scenarios. While this can be a difficulty in any type of education course, it can be particularly difficult in a financial literacy course due to the complexities of the subject matter. Educators must provide applicable scenarios and examples to ensure that learners are able to see how what they are learning can be used in their lives.

Fear of Risk-Taking: Many adult learners may have a fear of taking risks, such as investing in stocks or taking out a loan. Educators must help to build confidence and create a safe learning environment for adults, for them to be more willing to explore different financial options and become more comfortable with making decisions that involve some element of risk.

While financial education is vital for adults to make informed financial decisions and secure their future, several difficulties hinder the learning process. These challenges include the lack of prior exposure, the complexity of financial concepts, emotional factors and psychological barriers, limited time, and the lack of personal relevance. Recognizing these difficulties is crucial for designing effective financial education programs that address the unique needs and circumstances of adults. By adopting innovative teaching methods, providing ongoing support, and highlighting the practical benefits, society can empower adults with the necessary financial knowledge and skills to navigate the complex world of personal finance successfully.

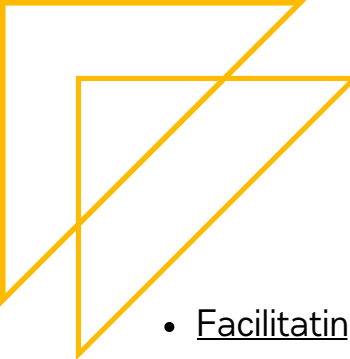


WHAT FACILITATES THE LEARNING PROCESS?

Learning is something we do all the time, no matter our age. When we're babies, we learn how to crawl, walk, talk, and grab things. Then comes school, where we learn a lot of stuff. As adults, we still have to learn new things, like driving a different car, cooking a new dish, or even picking up a new language. Some people choose to learn to get better at things or to discover new knowledge. If you want to learn, there are two important things to figure out: what you want to learn and how you're going to learn it. Learning is an ongoing adventure that helps us grow and adapt in life.

There are a number of instructional methods that can help teachers move away from standard lesson teaching and toward facilitating a real learning experience by:

- Give the learners a choice: Students have diverse learning styles, so consider offering them more possibilities. Giving them various options in the learning process can lead to their increased interest and success in the topic. This way the facilitator is showing them that their unique style/technique is appreciated.
- Create connection: Provide context for each lesson, illustrating its connection to other topics or experiences your students may encounter. Link the content to previous lessons, different subjects, contemporary events, or practical, real-world instances. Explain to them the relevance of the lesson in their daily lives and why it holds significance for them.
- Incorporating Role-Play: To engage learners, use role-playing, whether it's reenacting historical events or assuming novel characters' roles. Those hesitant to act can express themselves through writing from a historical figure or character's perspective. Simulations, like creating a mock legislature, offer immersive learning experiences for deeper comprehension. Visual learners benefit from multimedia presentations that tap into their spatial intelligence. To bridge the gap between subject and real-world relevance, invite guest speakers –a bank manager to highlight the banking system's importance or a journalist emphasizing writing as a vital life skill. Exposing learners to role models offers diverse perspectives on various issues.


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- Facilitating Critical Thinking: Teaching critical thinking requires practice. It goes beyond mere facts and figures, encouraging people to observe, analyze, evaluate, and consider various perspectives. By practicing critical thinking, students learn to navigate different contexts, draw conclusions, and provide explanations. Facilitators can present problem-solving challenges and decision-making opportunities to hone these skills. Afterward, participants should reflect on their successes and setbacks. Establishing a consistent pattern of observation, analysis, interpretation, and conclusion can improve their critical thinking skills, preparing them for the real world.
 - Let them talk: Learning problem-solving skills holds equal importance to acquiring answers. Thus, allocate time for learners to collaboratively discuss problems, whether in small groups or as a class. These discussions not only foster problem-solving abilities but also enhance communication, socialization, and cooperation skills.
 - Vary the methods of education: Use different methods throughout the lesson. Intersperse a multimedia presentation with a discussion with the entire learning group. Support students in the creative processing of assignments and look for ways to increase opportunities for mutual learning among students.
 - Engaging learners: The teacher can encourage learners to be active and try to change their rural areas for the better, contribute with new ideas, develop new initiatives, implement some events, etc.

These are a few tips on how to facilitate the learning process. It is understandable that not every method will work on a different group of learners or on a different topic. The best is to vary among all these methods, use them regularly, and provide the understanding that each of them is unique and has a different specific way of understanding an assignment or topic. Implementing the mentioned methods in the learning process can lead to the successful transfer of information and the support of the learners's critical thinking, which can positively affect their learning practices in other life situations as well.



TIPS AND GUIDELINES

- **Continuous Learning:**
 - Stay updated on financial trends, products, and regulations to provide accurate and relevant information to your students.
 - Attend workshops, conferences, or training sessions focused on financial literacy education.
- **Understand Your Audience:**
 - Recognize the diverse backgrounds, learning styles, and financial situations of your students.
 - Tailor your lessons to be engaging and relevant to your audience's specific needs and interests.
- **Use Real-Life Examples:**
 - Incorporate practical, real-world examples into your lessons. This helps students see the direct application of financial concepts in their lives.
- **Interactive Activities:**
 - Design interactive activities, games, or simulations to make financial concepts more hands-on and memorable.
- **Encourage Questions:**
 - Create an open and non-judgmental environment where students feel comfortable asking questions about financial topics.
- **Teach Budgeting Skills:**
 - Emphasize the importance of budgeting. Guide students in creating their budgets, considering income, expenses, and savings goals.
- **Introduce Banking Basics:**
 - Cover fundamental banking concepts, such as opening a bank account, understanding interest rates, and managing a checking or savings account.
- **Explore Credit and Debt:**
 - Discuss the responsible use of credit, the implications of debt, and the importance of maintaining a good credit score.
- **Investment Basics:**
 - Introduce the concepts of investing, compound interest, and the different investment options available. Emphasize the long-term benefits of investing.

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- **Promote Critical Thinking:**
 - Encourage students to critically evaluate financial information, advertisements, and offers to make informed decisions.
 - **Invite Guest/ Speakers:**
 - Invite financial professionals or experts to speak to your students. This provides real-world insights and diverse perspectives.
 - **Technology Integration:**
 - Leverage technology and online resources to enhance financial education. Interactive apps and online tools can make learning more engaging.
 - **Set Short-Term Goals:**
 - * Sometimes learning step by step is more beneficial and does not discourage the student at the beginning. Even by setting small goals, a person can gradually master the basics of financial literacy and gradually implement new habits within their finances.
 - **Set Long-Term Goals:**
 - Help students set and work towards long-term financial goals, such as saving for education, homeownership, or retirement.
 - **Community Engagement:**
 - Encourage students to participate in community events or programs focused on financial literacy. This fosters a sense of social responsibility.
 - **Assessment and Feedback:**
 - Regularly assess students' understanding of financial concepts and provide constructive feedback. Adjust your teaching methods based on their needs.

By incorporating these tips into your financial literacy education approach, you can create a more impactful and engaging learning experience for educators, youth workers, and their students.



SESSIONS OUTLINES

practical examples

Outline 1

Duration: 3 hours

1st moment: Introduction to the group

Objectives:

- Welcome participants
- get to know each other;

Materials/Observations: make sure that people feel comfortable in the group → creating a safe environment;

- Welcome the participants
- Round of names
- Intro to the topic of financial literacy
- Evaluating the participants' expectations

2nd moment: Diving into the topic

Objectives:

- To discuss
- To discover how much they know about the topic (small discussion)

Materials:

- worksheet (Questions and Quiz)

Warm up: Questions regarding financial literacy

You can do this activity as a "Take a Step" activity or you can create a small discussion

1. Do you save (or invest) regularly? In other words, have you made saving a habit? Why or why not?
2. What are the 3 biggest financial hurdles teenagers and college students face and why?
3. What do you think are 3 pros and 3 cons of budgeting?
4. Do you track your and measure your money? If so, why? If not, why not?
5. Do you have a strategy for spending? If so, share what the strategy is and how it is helpful to you? If not, share how someone else, like a parent, might describe your spending behavior?

Quiz: How much do you know about financial literacy?



Quiz: How much do you know about financial literacy?

Quiz <https://www.fdic.gov/consumers/consumer/news/cnfall12/fall2012.pdf> → the whole quiz page.9

3rd moment: Pu into practice

Objectives:

- to learn good practices regarding financial literacy
- to solidify their knowledge

Materials:

- worksheet (Article: 8 financial tips for young adults)

Explaining the 50/30/20 rule

The 50/30/20 rule is a tool used by money-conscious individuals who want to align their savings goals with their spending habits. The budgeting system works by pooling your after-tax income into three separate categories: essentials, wants, and savings. Fifty percent of your money will go toward essentials – these are bills and expenses you must pay every month such as housing, food, and transportation. Thirty percent is then put toward wants for the month. Think of this as your discretionary money that you can use for things like your daily coffee runs or weekend adventures. Spend the other part (30%) on something that makes you happy. Invest in education, recreation or little things for your loved ones. Dedicate the last 20 percent to your savings. Worry about this category after you pay for your essentials but before you dip into your discretionary money. This will allow you to spend confidently, knowing you've taken care of all your financial responsibilities for the month.

Article: 8 financial tips for young adults

You can learn more here: <https://www.sfcu.org/8-financial-tips-for-young-adults/>

4th moment: Evaluation



Outline 2

Duration: 3 hours

1st moment: Introduction to the topic

Objectives: Teaching theoretical concepts

Materials:

- Introductory activity (energizer) - *if it is your first session, start with an activity that doesn't involve a lot of movement. In this way, you can evaluate if the group enjoys energizers.*
- Importance of making a budget - *Depending on the number of participants, hold a discussion using the mind map technique.*
- Approach the following topics
 1. Set goals
 2. Planning expenses
 3. Control costs
 4. Make more informed financial decisions.

2nd moment: Case studies

Objectives:

- Clarify how the financial system works
- Think critically about the implications of certain financial actions

Materials:

- Budget Template
- Paper
- Markers

2 case studies and 2 groups (personal budget vs. business budget).

- Each group should analyse the case and discuss the main areas of expenses, considering fixed and variable costs, projected revenues, and planned investments, among other relevant aspects. They should work together to create a realistic and detailed business or personal budget for the assigned case.
- Encourage research of crucial concepts.
- Presentation and discussion of the approaches.



3rd moment: Financial Simulation

Objectives:

- Teaching theoretical concepts
- learning how to make financial decisions;
- Develop critical thinking

Materials:

- Budget Template
- Cards with different business scenarios and unexpected events
- Tokens or fictitious money to represent available capital
- Large board or paper to keep track of the teams' financial performance

- A situation in which participants need to make quick decisions about allocating resources and managing expenses in a constantly changing business environment. They must apply previously learned budgeting concepts to maximize profits, minimize costs, and face unforeseen challenges.

Instructions:

1. Divide the participants into teams of 3 to 5 people
2. Distribute the fictitious capital equally among the teams
3. The teams must make investment, production, marketing and cost control decisions in each round of the game, based on the resources available and the financial objectives set.
4. After each round, reveal a scenario card, which can be positive (e.g. increase in sales) or negative (e.g. increase in raw material costs). Each team must adapt their strategies according to the card shown.
5. At the end of the game, each team's net profit is calculated based on the decisions made and the financial results achieved.

- Discussion in groups

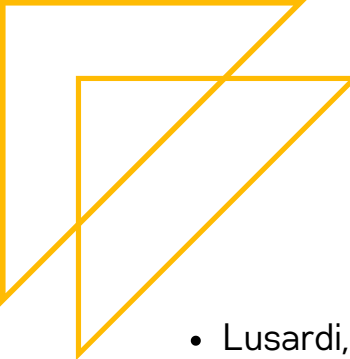
4th moment: Evaluation

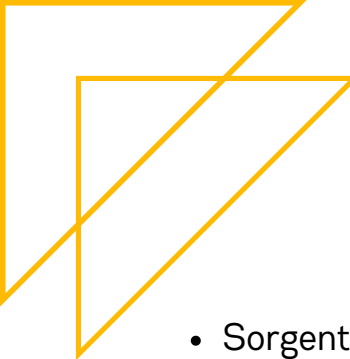


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