

The importance of teaching financial literacy in schools

How many times have we read numerous newspaper articles about children who squandered their inheritance money or how they trusted quick “get rich” schemes and was dubbed out of it? Again, how many times have we seen an employee who worked tirelessly for 30+ years and went on retirement, only to splurge away their pension pay-outs and suffer in their old age? Better yet, how many young people currently employed are living from paycheck to paycheck with debts overwhelming them, credit cards here, over-drafts there, revolving loans, the list is endless. The most common reason is that many heirs, pensioners or even the young workforce are simply inexperienced at handling money. A million dollars can be put to so much good use. However, once it is spent recklessly, it can no longer produce income.

Isn't it amazing that we all completed high school knowing algebra, the scientific table, and the human anatomy, but not how to open a bank account, how to file a tax return, the importance of having funeral covers or even something as simple as budgeting and saving?

The current education system does not teach simple money management habits/techniques to children growing up. Most young people will graduate from universities or start new businesses with no financial foundation. As a society we lack basic financial literacy thus teaching financial literacy in schools is critical in passing on general wealth. Financial attitudes and habits begin to mold at a very young age. It is extremely important to expose children to how to use money wisely and to smart financial decision making. School curriculum can range from budgeting and cash flows so that young people understand the concept of ‘money in, money out’ and how that will impact them in the long term. Our young people need to know how loans work, how interests are charged on these loans and how it can impact their financial situation over the long run. Notwithstanding the above, the importance of retirement planning- the power of putting a little bit of money away today and where that can land you in the future, are all critical. By teaching financial literacy in schools, we can change the narrative from poverty to debt-free lifestyle, from inheritance money being a “curse” to a gift.

Furthermore, we can pass on generational wealth by enabling our young people to make informed decisions. In this digital and social media era, we find that our young people take out a personal loans today just to finance a trip to Paris or Bali and only to realise that upon their return, they must start repaying this loan with a very high interest rate for four years. Just to take out another loan to offset that and find themselves in a pool of financial difficulty.

I know that many might argue that if you are a high school teenager, you most likely don't have much money, you don't have access to credit, you don't have a job- so is

there really any point in teaching such a youngster about savings, investing, taxes or budgeting? However, many of us were taught religious, moral education and life skills in school and that shaped us in many ways for life. We learned basic principles of respect, sharing, caring and discovering our identity. Another subject that was introduced in recent years was entrepreneurship because it uses developing real-world skills that will help learners lead exceptional lives in a rapidly changing world by teaching children to think outside the box. Many western countries have introduced Financial Literacy in their school curriculum examples of these countries are Australia, Canada, Denmark, Finland, Germany, Israel, the Netherlands, Norway and Sweden just to name a few.

The current Namibian school curriculum equips children how to be great doctors and individuals with great business skills. Since the children of today are going to be the leaders of tomorrow, financial literacy will equip them with the skills they will need to become financially literate adults. In the end their future and that of our country is depending on it.

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