

If you're reading this, you have a job to do

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We often talk of physical wellbeing and mental wellbeing. However, how often do young people discuss financial wellbeing?

In 2019 news websites in Malta mentioned “financial literacy” only enough times to fill less than a handful of Google search pages. Research conducted by the Organisation for Economic Co-operation and Development (OECD) found that 1 in 3 adults in Malta felt they had a low level of overall knowledge on financial matters, compared to other adults in Malta. Although some findings were more positive, it is clear from the outset that all sectors of society can be doing more when it comes to improving the financial literacy of Maltese citizens.

I finished compulsory education in Malta a decade ago, however recent articles show that things haven't changed as much as they probably should have when it comes to familiarising the younger generations with financial literacy. While one-off seminars and workshops are definitely helpful, they can't be expected to replace a well-concerted prolonged effort to give youths the skills they're going to start using sooner than they might think.

Why is this important? Buying a car, getting a student loan, purchasing a home - all important decisions in themselves. The common factor here is the financial planning which goes into making such a decision. A solid financial literacy background would enable someone facing a similar choice to make better real-world financial decisions. Financial literacy isn't only about facts and figures. Controlling one's own finances leads to a boost in confidence - something everyone benefits from in various aspects of life.

Recent trends show that youths are splurging more money on experiences rather than on things they chuck in their room or wardrobe. If we can show them how their lack of financial knowledge is limiting the amount of experiences they can invest their money in we can perhaps start making inroads. But how does one eat a whale? Some say it's best to do so one bite at a time.

A great place to start would be by building a framework with different elements which over time interact with one another to provide a holistic financial education package. Except we shouldn't refer to it as a framework when engaging with youths or else the battle will be over before it has even begun. Youths are constantly being bombarded with information. We need to ensure that financial literacy doesn't become part of the noise.

Children in their years of compulsory schooling should be taught about basic concepts such as how money, trading, and financial services generally work. If done correctly, the groundwork will be in place to effectively continue developing money-savvy youths.

Financial literacy is about knowledge and understanding. Giving youths hands-on opportunities to practice and develop their skills is proven to be effective. A number of student organisations are active on the island. These often have someone in charge of the organisation's finances. Opening up the role to more student participation is something which can easily be done through the creation of a finance subcommittee. Financial literacy isn't only about memory work, it's also about making effective decisions. Rather than applying concepts in a vacuum they'll be applying skills which will enable them to fully participate in economic life further down the line.

We now have a sandbox for Millennials and Generation Z to play in. However, without teaching them money-related matters the ink might turn from black to red. The Global Financial Literacy Excellence Centre (GFLEC) considers a person to be financially literate if they can answer three out of four specific topics. The topics are numeracy, interest compounding, inflation, and risk diversification.

Governments, schools, parents - they all have an important role to play in financial education. In Malta we've recently seen a number of non-governmental entities step-up their activism to bring about positive changes in society. Being active in civil society allowed me to witness first hand the potential this sector possesses. Surely a number of NGOs could partner up to develop a series of financial literacy lessons which can aid the youths in their efforts to develop their skills within the different organisations.

The content of these lessons could be in the form of video, audio, and written lectures. Except like we did with our framework, we won't be creating lectures but content which is as informative as it is entertaining to consume. Mentors from the consortium of NGOs can be assigned to the different financial subcommittees of the student-led organisations. Any knowledge and skill gaps they spot can be addressed through the content being produced. If the programme is successful, a number of youths might end up joining the consortium later on, inspiring the next generation. We've now created a sustainable cycle of financial literacy.

Easier said than done, granted. However, the key is to set the wheels in motion. The rest will follow. Proper evaluation and feedback procedures will help steer the ship and ensure that the programme is delivering tangible results. One must also be

mindful of differences between genders and minorities when rolling out the programme which should be as inclusive as possible. Research conducted found lower scores in financial literacy for females when compared to males and also lower scores when comparing minorities to more privileged groups. If we aren't being proactive about this, any new programme won't be immune to creating the same gaps seen elsewhere.

The underlying message is the unification of all sectors of society. If a basic structure is formed which schools, parents, companies, organisations, and governments can contribute to, then before long we should observe significant improvements in the financial literacy of youths. Everyone reading this has a role to play. It's important because research says so. It's important because we'll be building stronger economies together. Mostly, it's important because we're dealing with the livelihoods of unique people.