

Why Personal Financial Education Matters

Did you know that only “29% to 57% of the US adult population demonstrates actual financial literacy” according to information from Stanford University? <https://ifdm.stanford.edu>

Personal financial education (literacy) is one of the most important life skills a person can develop. Managing money affects nearly every part of your life, from paying for everyday expenses to planning for the future. The more you understand personal finance, the more confident you will feel about making responsible financial decisions.

One of the most important things to learn is the value of budgeting. Creating a budget helps create an understanding of where your money is going and prevents you from spending more than you can afford. It also allows the ability to set aside money for savings and work toward financial goals.

It is important to learn that saving and investing are important for building long-term financial security. Having an emergency fund can help handle unexpected expenses without relying on credit cards or loans. Learning about investing and compound interest, along with starting early, can make a major difference over time.

Understanding credit and debt is another important part of financial education. Credit cards and loans can be useful, but you should understand interest rates, payments, and credit scores before taking on debt. Making informed choices can help avoid unnecessary financial stress in the future.

Here are some beneficial reasons why personal financial education is important:

- **Creating an effective budget** — Track income and expenses to avoid overspending.
- **Encourages saving** — Building savings for emergencies, major purchases, or future goals.
- **Debt management** — Understanding loans, credit cards, interest rates, and how to avoid excessive debt.
- **Managing good credit** — Learning how to build and maintain a good credit score.
- **Investing** — Learn ways to grow your wealth.
- **Protection against financial mistakes and scams** — Understanding money makes it easier to recognize risky or misleading financial offers.

The credit union can help you develop the necessary skills to gain a better understanding of personal finances. Give us a call today to begin your path to a better financial future!

