

The Eurasia Proceedings of Educational & Social Sciences (EPESS), 2021

Volume 23, Pages 47-50

**IconSE 2021: International Conference on Science and Education**

## Overview of Concepts Covered Financial Literacy in Education

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**Abstract:** Financial literacy is a complex structure that includes many attitudes and behaviors, including financial knowledge and skills, as well as access to financial services. There are many definitions of financial literacy in the literature because it contains many knowledge, skills and attitudes and has a complex structure. Financial literacy can be defined as the ability of individuals to have information about key financial concepts such as budgeting, savings, borrowing and investment and to use this information in their decisions. Also, financial literacy is the ability to use basic economic and financial concepts as well as the knowledge and skill to manage financial resources for a lifetime of financial well-being. Two basic elements stand out in financial literacy. The first is that consumers have the knowledge and skills to use financial resources effectively in order to ensure and maintain their financial well-being, and the second is that consumers have the self-confidence and motivation to evaluate this knowledge and skill. From this point of view, this study aims to evaluate the concepts of financial literacy, which has become increasingly important in the education process in recent years, with the support of literature. The reflections of these concepts in the education process were interpreted by the researcher and suggestions were developed regarding the study subject.

**Keywords:** Education, Finance, Financial Literacy, Assessment.

### Introduction

Financial literacy is a complex structure that includes many attitudes and behaviors, including financial knowledge and skills, as well as access to financial services (The Organization for Economic Co-operation and Development [OECD], 2015). There are many definitions of financial literacy in the literature because it contains many knowledge, skills and attitudes and has a complex structure.

Financial literacy is “the ability to use basic economic and financial concepts, as well as the knowledge and skills to manage financial resources for a lifetime of financial well-being” (Hung, Parker, Andrew, & Yoong, 2009). According to Remund (2010), financial literacy is “the ability to know and have basic financial concepts in order to make short-term financial decisions and long-term plans, taking into account living conditions and changing economic conditions.” Two basic elements stand out in financial literacy. The first is that consumers have the knowledge and skills to use financial resources effectively in order to ensure and maintain their financial well-being, and the second is that consumers have the self-confidence and motivation to evaluate this knowledge and skill (Central Bank of the Republic of Turkey[CBRT], 2017).

In recent years, depending on the advancement of technology, the ease of access to financial services, the increase in digital financial products and services, the increase in frauds over the internet such as phishing have revealed a new skill called digital financial literacy (Morgan, Huang, & Trinh, 2019). Thanks to technology, individuals can benefit from many financial opportunities such as making payments through mobile services, transferring money, applying for loans and making investments (Fettahoğlu & Kıldız, 2019).

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- Selection and peer-review under responsibility of the Organizing Committee of the Conference

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## **Method**

In this study, in which the type of concepts covered financial literacy was evaluated in the education process, the qualitative research method was used and it was shaped by the document analysis model. In document analysis, data is obtained by examining existing records and documents. Document analysis includes the processes of finding, reading, taking notes and evaluating resources for a specific purpose (Karasar, 2005).

In other words, document analysis is a series of processes that take place in the process of examining and evaluating printed and electronic (computer-based and internet-enabled) materials (Bowen, 2009). The process is also defined as the examination of written materials containing information about the phenomenon or phenomena that are aimed to be investigated (Yıldırım & Şimşek, 2013).

## **Results and Discussion**

Financial literacy is a concept consisting of knowledge, attitude and behavior. In order for an individual to be financially literate, having basic financial knowledge such as budget, insurance, savings, investment, credit, interest, inflation; It is necessary to use money carefully, to consume it sparingly, to have an attitude of saving for the future, and to be in a behavior that carefully evaluates shopping, savings and investments (Alkaya & Yağlı, 2015).

It can be said that many remarkable concepts related to the concept of financial literacy are used in the education process. These concepts are given in Figure 1 below.



Figure 1. Concepts related to financial literacy

The use of these concepts in education is very important in the transfer of economy-based gains. Regarding financial literacy, it can be said that examining these concepts separately will contribute to the learning of this type of literacy in a concrete and meaningful way. These concepts, especially finance-based, are among the most important factors shaping the world in the 21st century. For this reason, these concepts should be gained to the students in the learning environment with various gains and activities in the education process. Some of these concepts are detailed below.

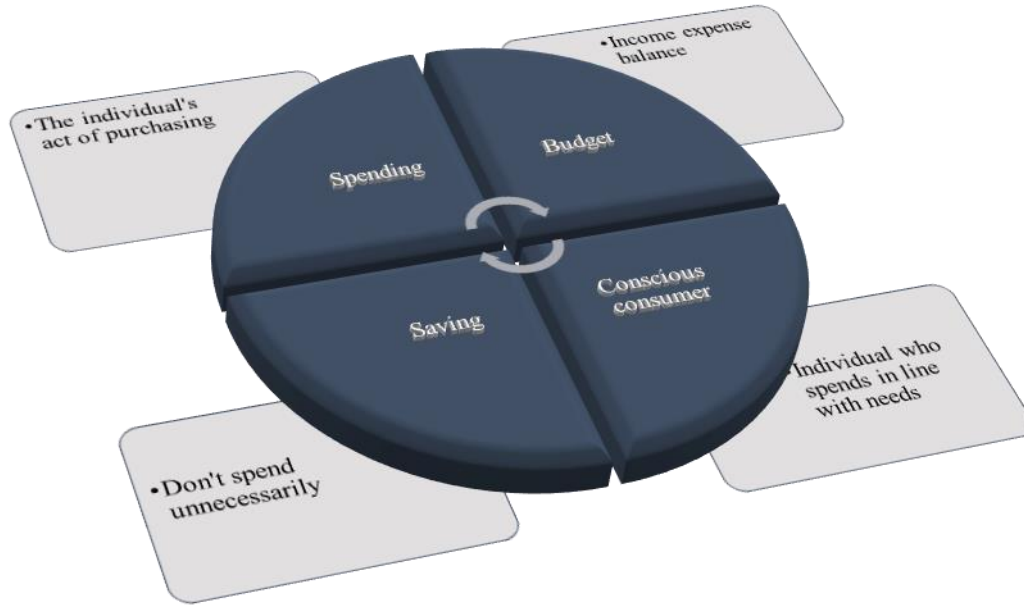


Figure 2. Definitions of financial literacy concepts

## Conclusion

Financial literacy is a life skill that includes financial knowledge, attitude and behavior and has become increasingly important in recent years. Financial literacy plays a major role in individuals' knowledge of budget, savings, investment, making the right financial decisions and leading a comfortable life. The contribution of family, environment and school is great in gaining financial literacy.

In order to gain this subject, the basic concepts related to the subject must be gained in a meaningful way. Especially in 2008, the economic crisis, which was effective throughout the world, revealed the importance of the concepts related to financial literacy education. In recent years, financial literacy has started to take its place in formal education programs in many countries, especially in developed countries. These literacy-related competencies, which have started to take place in the programs, should be brought to the teachers who are the managers of the learning environment. Therefore, it can be said that this issue is very important in teacher education.

## Scientific Ethics Declaration

The author declares that the scientific ethical and legal responsibility of this article published in EPESS journal belongs to the author.

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#### To cite this article:

Kocoglu, E. (2021). Overview of concepts covered financial literacy in education. *The Eurasia Proceedings of Educational and Social Sciences*, 23, 47-50.