
LAUNCHING FINANCIAL LITERACY AMONGST THE STUDENTS

Prof. USS Shrivastav

Principal,

Jai Narayna Vyas University

College Varkana

Jodhpur

MEANING

The Financial Literacy defines a personal financial literacy "the ability to know how to manage financial resources for a lifetime as *rich Dad – Dad and Baby boomer*". Financial literacy is more than just being able to balance a cheque book, compare prices or get a job. It also includes skills like long-term vision of financial planning for the future, and the discipline to use skills every day about financial soundness.

Author approaches to make a sincere effort to not only teach the youth to read – write & learn about the financial literacy but also to give them general awareness & the direction to pay attention that how they build a strong people of the Nation?. As a result, young generations become familiar to how they manage their personal portfolio & financial lives rich in society. Life of the young generation - financial worthiness etc they tries to change by telling dynamically, culturally awareness the true stories of financial trouble which they had overcome the financial crisis. As their stories unfold, viewers learn how and why they ended up in trouble and how they got out successfully in remaining life in future.

A relevant suggestive core competency to help them the glossary terminology of financial understanding they also show viewers how to improve their own Financial Literacy. Many youngster in the globe are suitable example by the wisdom and experience of experts that the young people take control of their lives, providing powerful a series of examples of what it means to "manage their money and not be managed by their time and money himself/herself."

IMPORTANCE

In India it has been designated **National Financial Literacy** time to time, so now is a good time to reflect on the importance of financial literacy and its impact on our nation's future financial healthy economy. Many notions and doctrine still need better resources and targeted education to help them understand the most important issues affecting their finances. The Schools, colleges, families, governments, and financial institutions must all play a role in promoting financial literacy if our nation is to return to financial health by understand this concept – Financial Literacy at school level.

A number of surveys illustrate the extent of the problem, showing that a large proportion of investors - consumers fail due to basic financial literacy tests. Study conducted by fellows of the Institute to asked over 50 questions. To answer them correctly, they needed to understand interest rates, the effects of inflation, fully valued share, partly paid share, quoted share, A & B group share, volatile share, preference share, equity share right share, Euro share, primary secondary and grey market, capital market- money market, face value, bid price, offer price, premium price, delivery price, par value, face value subscribed capital, reserve capital, fixed capital, equity capital venture capital, capitalization ratio, liquidity ratio, earning per share and the concept of risk diversification, market volatility, sensex etc. Only one-third of the respondents were able to correctly answer all three questions.

The problem is likely to become worse as Generations X and Y head into middle age: A recent survey from the Financial Industry Regulatory Authority found that young generation were less likely to be financially

capable than older. However, that's hardly surprising. Despite the fact that financial decision-making is more complex today than ever before have no financial literacy requirements at all in their K-12 onward education systems.

When viewed through the prism of race and ethnicity, the effects of low financial literacy are greatly magnified. Minorities, along with women and the least educated, have some of the lowest financial literacy rates in the nation.

WHY IT MATTERS IS IMPORTANCE

People with low levels of financial literacy suffer from that lack of knowledge at every stage of their lives: Another study shows that people with a high degree of financial literacy are more likely to plan for retirement safety and security ageing benefits. Conversely, people who have a lower degree of financial literacy tend to borrow more, accumulate less wealth, and pay more in fees related to financial products. They are less likely to invest, more likely to experience difficulty with debt, and less likely to know the terms of their mortgages and other loans, generally seen problematic.

The cost of this financial ignorance is high, leading many people to incur avoidable charges and fees from things like making late payments or paying only the minimum amount due, overspending their credit limit, and using cash advances suggest them to know about it causes and consequences. Therefore, it require to raise the level of financial literacy at all stages.

Financial education must start early- Like reading and math, financial education must become part of the core curriculum in schools or college level. Likewise, parents should engage in regular, constructive conversations about money matters to give Childs a solid foundation for financial wellbeing. Teaching our students to be financially savvy is a gift – one that will keep on giving throughout the course of their lives.

Teachers need the right training to provide financial education- A recent survey by the National Endowment for Financial Education found that 89% of K-12 teachers agree that students should either take a financial education course or pass a competency test. Yet very few of those teachers believed they were prepared to teach personal finance. In states that have financial education standards, over 60% of teachers felt they were not well qualified to teach to these standards.

One size does not fit all. Financial literacy rates vary substantially by age, race, gender, and socioeconomic status. Developing sound financial education programs must take into account these variables as well as individual preferences and learning styles.

The planning for financial well-being has become a do-it-yourself proposition, and it's more essential than ever to know how to go about it. This is an issue with broad implications for our nation's economic health. To ensure we have the strongest, most globally competitive economy possible, our nation needs its citizens to be able to manage their financial lives well. To get there, we must make a commitment to raising the level of financial literacy by finding and pursuing ways to achieve this objective.

Taken steps-

The National Stock Exchange of India (NSEI) has partnered the state Educational Boards to impart the Financial Literacy and financial open market operation trading activities – awareness amongst the investors at all level to make strong India concept. Through the tie-ups, NSE will introduce financial literacy at early stage among the people of society to maintain the transparency and utmost protection to the Investors. "Financial literacy awareness began in 1994 but realized that at the base level, understanding was and still very low progress. Through this approach, author would like to give some relevant information toward understanding the terminology in the trades riskless strategies pragmatically approach than prudential.

The exchange still is in talks with other state governments for similar tie-ups. Among others, textbook lessons will be on setting financial goals, creating a financial plan and implementing it, details on disposable income, savings, taxes and other deductions and the calculation of simple interest and compound interest. The matters pertaining to students and will be taught money – matters & its management. The lesson to be

designed and will include drafting a budget, working of primary and secondary markets, inflation, insurance and basics of economics of financial and capital market operation – trends – trading and scrip's volatility and buoyancy – fiscal and monetary terminology in easy learning approach to understand by all.

Students will be well aware the about the terms of money transaction, financial market operation tools and techniques, capital market operation strategies – ordering- - confirming, delivery and settling with payment and margin etc during the trade. They will be taught financial instruments like money market instruments, mutual funds, life insurance policies, derivatives, credit rating agencies, equity markets, the functioning of stock exchanges and financial statement analysis. More and more to be know about the future- option, market index, forwards market, regulators and regulatory framework – SEBI- SCRA, IPO, - primary market, secondary market, enlisting –new IPO or others scrip's – equity trading - clearing and settlements etc during periodical minimizing the losses and complete volatility of market understanding.

The financial markets managerial skill - financial literacy awareness will be stimulating a catapult the crowd funding wave lead to strong capital market growth reducing the market distortion. This will be another kind of wealth creating opportunity while student are at learning stages. To market revival growth it is leverage type of innovation knowledge lead concept in this market.

In many states NSEI has tie up this approach with schools and colleges in - Himachal Pradesh, Uttakhand, Assam, UP, Rajasthan, Tamil Nadu, Andhra Pradesh, Karnataka and others & will begin as a pilot project in academic year since - 2014-15 and it close to 60,000 are expected to get benefit from this. The teacher has been trained under this banner in manifolds to guide the same accordingly.

Earlier this year, NSE entered into a partnership with the Nagaland Board of School Education (NBSE) to offer Financial Markets Management course and the course is being offered in five schools at present. NSE will provide textbooks for the financial literacy course in English or Hindi (as per medium of teaching / choice of students). More than 2200 teachers have been trained by NSE to teach the course to the students. Close to 7, 50,000 students are studying these courses every year and around 17,00,000 students have taken the course so far.

"By means of teaching these courses, this introduced approach is very encouraging signs in students who want to take up a career in finance going forward and also looking at introducing skill based courses as a vocational elective to create skilled manpower for the financial sector".

On completion of the course, NSE conducts an online computer-based or offline paper-based, objective type examination. A certificate is issued by the state board educational authority and NSE to students who pass the examination. Those who are not able to pass get a participation certificate.

But given the culture of rote learning in students, how will NSE test the fundamental understanding of the subject? "For everything the questions to be devise in a simple way that it tests the fundamental understanding of the subject of student," in effective manners.

For maximum benefit to their students, NSEI trained teacher will give the presentation and organizing workshops for principals and teachers those will arrange for training for the teachers to give grass root level financial literacy at very beginning helping to the nation.