

Financial literacy as a path to strengthening α country

Volume 9 Issue 6 - 2025

Polymili Aikaterini

Department of Economics, University of Macedonia, Greece

Correspondence: Polymili Aikaterini, Department of Economics, School of Economics and Regional Studies, University of Macedonia, 156 Egnatia Street, GR54636, Thessaloniki, Greece

Received: December 15, 2025 | **Published:** December 15, 2025

Editorial

Financial literacy is an important skill that all economically active individuals need to develop today. It is a fundamental factor that is critical for making financial decisions, both for individuals and for society as a whole. The knowledge it provides shapes citizens' behavior and contributes not only to individual or family well-being but also to collective prosperity. In modern economies characterized

by problems of economic stability and increased social inequality, financial literacy is the key to improving living standards, reducing economic insecurity, and mitigating economic and social inequalities.

Individual well-being is determined by knowledge of basic economic concepts and the ability of individuals to apply this knowledge in their daily lives in order to make appropriate decisions about managing their finances. In today's societies, which are characterized by rapid technological change, the creation of artificial needs leading to excessive consumerism, and luxurious lifestyles flooding social media, developing an understanding of basic economic concepts helps individuals and households avoid the trap of mismanaging their disposable income and improve their standard of living by making sound decisions about how to allocate it. A keen awareness of the importance of household budgeting among financially literate individuals determines the level of consumption and savings, protects against high and long-term borrowing, ensures "wise" choice of pension plan, and determines the amount and type of investment.

Furthermore, in individual and small businesses, decisions are usually made by the owner, since the size of the business does not "allow" for the hiring of specialized personnel with financial knowledge who would draw up a financial plan for the development of the business and the maximization of its profits. For this reason, small business owners must be able to monitor economic changes, identify economic opportunities, or sense economic threats in order to adapt to the circumstances and increase the productivity of their business. Therefore, in order to ensure the profitability and sustainability of these businesses, it is essential that the decision-maker is financially literate, and to a high degree.

Knowledge and understanding of basic economic concepts are not solely related to individual interests but contribute to the development of a country's economy and the maintenance of social cohesion. Economically literate citizens are able to easily understand and analyze the fiscal policies that are implemented and thus have the ability to review their economic decisions concerning the present and the future, strengthening economic growth and enhancing social cohesion fabric. In addition, understanding the fiscal indicators on which each country's fiscal policy is based leads individuals to form political opinions and views, organize collective action, and determine ways to demand better working and living conditions.

Therefore, the development of economic literacy should be a key concern for every state in order to ensure the sustainable development that all societies seek, so that future generations are, as far as possible, free from economic, social, and environmental problems.

Based on the above, it is clear that every state needs to focus on developing and improving the financial education of individuals in order to ensure a high standard of living for households and a healthy economic and social environment for the country. The introduction, renewal, or enrichment of economics courses in school curricula is essential in order for students to become familiar with economic concepts and understand their importance. Even in primary education, where simple mathematical problems use terms such as income, profit, expenditure, etc., there should be separate teaching of these terms so that individuals become familiar with the basic concepts at an early age. The latter naturally presupposes that primary school teachers are trained to teach economic terms and are able to convey them to their students. Therefore, the curricula for prospective primary school teachers should also be restructured.

At the same time, however, the state should also focus on the financial literacy of adults, as they are the ones who now make financial decisions that determine their consumption, savings, financial, and investment behavior. It would be useful and economically and socially beneficial to create and promote a framework of educational activities for adults that the state would offer to the adult population. Within this framework, seminars or programs could be held, graded for different educational levels of adults, aimed at understanding microeconomic and macroeconomic variables, linking economic learning to society, empowering individuals, and supporting micro entrepreneurs.

Financial literacy is not yet considered knowledge or an additional qualification for individuals. Its cultivation and development lead to economic decisions that are linked to individual and family well-being, the alleviation of social inequality, the assurance of fiscal stability, and the development of a country. The development of financial literacy is an essential strategic investment for any state that wishes to lay solid foundations for the well-being of its citizens, collective prosperity, and development.

Acknowledgments

None

Conflicts of interest

The author declares there is no conflicts of interest.