

Financial Literacy and Discipline: Why They Matter for Teenagers

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Financial literacy means the ability to understand and manage money properly. It includes the skills such as budgeting, saving, investing, and using credit wisely. What discipline means is providing a person with the ability to control over one's impulses and hence meeting one's commitments, self-restraint to meet goals. It includes the habits like setting up the goal, prioritization of task, and avoiding the distractions.

Why should teenagers have the knowledge of financial literacy and discipline? A lot of reasons can actually be sighted for this:

- Teenagers are constantly bombarded with so many money decisions and temptations. At this point, they could already be having incomes from their part-time jobs, allowance, or gifts. Also, they may be peer pressured on how to spend those money to buy branded clothes, gadgets, or for entertainment purposes. And without financial literacy and discipline, they might become compulsive buyers, end up in a debt, and waste opportunities for savings and investments for their future.
- Teens get ready to become adults and independent. Soon they will have to take care of finance issues while getting education in a college, renting a flat, paying for utilities, insurance, taxes and

more. They will also have to make important financial choices like choosing career, buying car or house or starting a family. They would find it hard to realize their goals, be under financial stress, or worse still, fall into the trap of fraudsters or con artists without such knowledge of financial literacy and discipline.

- The teenagers are living in a complex and fast-paced world. They are full of economic, social, and environmental challenges and opportunities. They need to be aware of the trends going on now and in future which they might likely have an effect upon their financials such as inflation, interest rates, globalization, automation, climate change and lots more. They also need to be adaptable and ready to administer and manage their uncertainties and changes. Without financial literacy and discipline, they might not possess the proper knowledge, skills, and the right mindset to excel in the 21st century.

So how can teenagers grow financial literacy and conditioning?
Well, there are several strategies:

- Study from authoritative sources. There are many books, websites, podcasts, videos, games and applications explaining financial notions and teaching the basics very interestingly and vividly. Atfaacademy.org is a great example of one. Teenagers can also look for advice on experts in finance, as well as consult their parents, teachers, mentors, and others who have more experience and knowledge in financial questions from them.

- Practice with real money. Nothing beats experience when it comes to learning the lessons about money. Teenagers may start practicing on how to handle their own money well, if either came from their own income or allowance. They could also take part in financial activities or programs such as how to open a bank

account, develop budgeting, understand the idea of stock market investment, or running a business that would stimulate real life.

- Develop good habits. Financial literacy and discipline are not only about knowledge and skills but also about attitudes and behaviors. Teenagers can develop positive behaviours which will assist their financial well-being including setting SMART (specific, measurable, achievable, relevant and time-bound) goals; keeping record of their income and expenditure; regular savings; wise spending; limit unnecessary credit; long term investing; charity to the causes they care for; and reviewing their progress and adjustments in their plans as when necessary.

Financial literacy matched with the discipline of managing it is hence indispensable for teenagers who are aspiring to live a life full of accomplishments and success. Teenagers can set a good benchmark for their success and happiness in later life when they practice these virtues from early on in their life.