

# How to Improve on Personal Financial Literacy in Financial Background

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**Keywords:** Financial background, Financial literacy, Financial knowledge

**Abstract:** This paper mainly expounds on the importance and significance of improving on personal finance and literacy in the financial background, it also discusses on the current situation of the employee's financial management, and its different angles, and it also describes the ways to improve on their financial literacy. A detailed analysis of the angle is provided as a reference for the employees to better improve on their financial literacy.

## 1. Introduction

As an employee, most of the time learning is involved in our daily life because schools and parents tend to pay more attention to their learning ability and academic performance. Therefore, it is easy to ignore the importance of financial management concept of the students' development as the importance of the employee's financial management is relatively low, but through the daily learning and life process of the financial knowledge, we can help ourselves establish a correct concept of wealth, thereby promoting the improvement of their financial management ability, thus laying a solid foundation for later life and study which is the basis for adapting to the social life earlier and better.

## 2. The Overview of Financial Literacy.

From the perspective of the employees to the understanding of financial literacy which mainly includes two aspects, namely, the basic concepts of financial knowledge and the understanding of financial risk knowledge. Through the study of relevant skills and knowledge of financial literacy, it can effectively enhance self-confidence in financial management, in the face of the financial environment in different situations, it can also be treated in a reasonable and scientific way, thus effectively protecting its own economic interests. Therefore, financial literacy can be defined and summarized from two angles. First, if the employees want to improve on their financial literacy, they need to learn the financial skills and knowledge for a long time, so as to further promote their financial literacy and further master the financial aspects. Second, in the financial context, it is to learn the correct values and the attitudes by studying the financial skills and financial knowledge.

## 3. The Importance and Significance of Improving on the Employees' Financial Literacy in the Financial Background

### 3.1 To Establish a Correct Concept of Wealth

In the daily life and learning process, schools and parents tend to pay more attention to their learning ability and academic performance. Therefore, it is easy to ignore the importance of financial management concept of the students' development, which leads to low importance of the employees' financial management. At the same time, there are few activities and courses in designing the financial knowledge in the high school learning process which is more difficult for to acquire knowledge and skills about the financial management in the actual learning process. It is difficult to systematically plan about the money in their hands and should observe the students around them, and to also Analyse on the, excessive consumption, comparison of consumption, spending money, and temperance that frequently occurs, if the money at hand is restricted, it will easily generate some negative feelings at heart, which will affect the physical and mental health of

the employees. Therefore, in the financial context, and by improving on the employees' financial literacy and in-depth study of financial related knowledge and skills, to establish a correct financial concept, and then rationally understand the money and rational distribution and consumption.

### **3.2 To Promote and Improve on the Financial Management Ability.**

In the financial background, through the study of financial knowledge, we can effectively improve our wealth and promote our financial management ability. However, as an employee, the main task at present is learning, so the economic source is limited, and the daily income is mainly passed through the lucky money and the pocket money given by the parents are mainly based on consumption. Some of the students are the only children in the family. Therefore, the daily money and pocket money obtained by the students are relatively rich but many parents will take care of them on their behalf which makes it difficult for the employees to play a subjective role in financial management. As motivation has led to a certain degree of weakening of financial management capabilities. Therefore, in the daily study and life process, and by learning on the financial knowledge which can help you establish a correct concept of wealth, thereby promoting your financial management ability, and the sooner you can learn the financial management knowledge, the identification of financial products, and the knowledge of financial bank management is all through the imperceptible learning of financial management capabilities, thus laying a solid foundation for later life and learning, so as to adapt to the social life earlier and better.

### **3.3 To Cultivate the Habit of Saving and Promote the Improvement of Self-Life Quality**

By improving on one's financial literacy, you can effectively cultivate your own financial management mind, and thus developing the habit of saving in daily study and life as an important step in cultivating the financial literacy, you must handle your money and deal with your finances effectively. The first condition is to save, so that they have the property they can handle, after the completion of the high school industry into the university or society, they can further plan and manage their own funds and realize the purpose of cultivating savings habits. Secondly, by improving their financial literacy, they can handle the correct concept of financial management, and they can pursue the quality of spending money. Therefore, by cultivating financial literacy, we can further improve our quality of life, thus forming a correct financial mind, and thus in the future in order to protect our life. Finally, by improving on their financial literacy, they will establish a correct financial awareness, scientifically and rationally plan their own money, and help them better participate in social and economic activities.

## **4. Analysis of the Current Situation of the employee's Financial Management**

### **4.1 The Employee's Income and Consumption Status**

Through the investigation and discussion of some classmates around you, we can find out that most of the high school's income is mainly from the daily living expenses given by the parents. At the same time, the New Year's money collected by the Chinese New Year occupies is also part of the money, so the income form is relatively simple, but the surrounding students will be in the winter and summer vacations. During the period, a certain amount of pocket money is obtained through part-time jobs or part-time employment, but the number of employees in this part is relatively little. Meanwhile, the employee's own income is related to the family's economic situation, while some families have better pocket money and can reach thousands of people. Secondly, according to the actual situation in the daily consumption process which is spent in daily life, such as diet, travel etc, and also involves daily school supplies and entertainment expenses. At the same time, according to the actual investigation, most employees consumption will not be recorded in the actual consumption process, so there is less understanding of the consumption situation over a period of time, and there is a huge gap between the estimated consumption situation and the actual consumption situation.

## **4.2 Employee Consumption Habits and Financial Management**

Since the main task of the employees is to study, there is no pressure on the economy, and they can consume according to their own habits. Therefore, they will have a certain psychological state. After they have consumed the funds in their hands, they will ask for the parents, which will make it difficult to develop financial management. And the habit of saving, even some students think that as long as there is disposable funds in the hands, they all need to spend all of them. At the same time, some students have the idea of managing their finance, but the purpose of implementing the financial management is not clear, which leads to different degrees of financial management behavior. In the financial context, employees have a narrower range of financial knowledge that they can obtain. Therefore, they do not understand the financial management and how to manage financial resources since most of the income comes from families, there is no need for financial management to store funds, and the demand for financial management behavior is relatively low.

## **5. Exploring the Way of Employees to Improve on Their Financial Literacy in the Financial Background**

### **5.1 Strengthening the Financial Management Knowledge and Learning Initiative**

In the new financial era, the people have to ensure the improvement of their own financial literacy, due to the fact that, they must actively learn the financial knowledge and have the idea of understanding and learning the financial knowledge, which is through practical learning, because it reflects on the value of financial literacy, and can promote its financial management ability through financial knowledge learning. Therefore, in the daily learning process, you can use extracurricular time to actively collect data and network information related to financial knowledge, so as to cultivate your own learning and have the financial knowledge of Interest so to learn from the fun of financial knowledge. At the same time, in order to understand the connotation and significance of financial knowledge, we can collect relevant information on the development and changes of financial markets, and obtain investment and wealth management activities around us. We can also participate in the financial management activities and obtain information related to financial management through knowledge, and active learning and rich financial understanding, so as to effectively improve on their financial literacy.

### **5.2 Learning Financial Management Knowledge through the Internet to Promote the Improvement of Its Financial Literacy**

In the new era environment, with the continuous innovation and development of science and technology, network technology has developed rapidly. As an employee, we must actively apply Internet technology to learn financial management knowledge, but because of the relatively high pressure of daily learning, we are given access to the Internet. To less time, this can actively use mobile devices and fragmentation time to gain financial knowledge, thereby further enriching access to wealth management knowledge, such as access to wealth management knowledge through WeChat, Weibo, and web pages, while also on the network and to actively communicate, gaining experience and knowledge related to financial management from others, and at the same time, the knowledge on the Internet is comprehensive, so you can search for relevant knowledge content according to the individual needs, in order to effectively improve on the learning efficiency of the financial knowledge, and establish correctness and have the concept of financial management, and try to use the funds at hand, so as to deeply understand the connotation of financial knowledge and to have the promotion of their financial literacy.

### **5.3 Based on Daily Life to Cultivate on the Financial Literacy**

As an employee, and during junior high school, he has to learn on how to improved in been independence and also have a certain economic independence so that he can fully understand and learn about the knowledge of the financial management in the learning process of his daily life, and also plan according to his actual situation. Learning expenses and living expenses, and

independently dealing with the financial problems arising in life and learn from them, and summing up experience, in the later financial management process, that can further grasp the rational and scientific financial management methods, thereby rapidly improving on their financial literacy, because Nowadays, there are some residents in many high schools who can control a certain amount of funds during their stay in school. They can control them within a certain period of time. Including life, study, eating, entertainment, etc., so you can plan the consumption of funds to achieve the purpose of scientific consumption, so as to cultivate their own good consumption habits and have the financial management concepts, and cultivate certain speculative ability in the process and as well have an effective choice and planning because the disposable funds in the hands will eventually develop good financial management habits and financial literacy.

#### **5.4 To Enhance the Financial Literacy through Other Situations and Classrooms**

First of all, as an employee, our main task is to learn , so most of the time it is in the process of having classes that we learn, so that we can actively use the classroom time to penetrate on the knowledge of the financial management, such as advice from the teachers, and the classroom teaching process involves the related knowledge to financial management. At the same time, it can hold some debates and speech contests related to financial knowledge and financial management knowledge in the class, and to actively participate in it, through practical discussions and experiences, it can also promote the improvement of its financial literacy to get the daily financial management that is difficult to learn during the learning process. Secondly, we can actively participate in different forms of time activities, and effectively combine life as well as learning, and set a certain scene for ourselves to learn from it. At the same time, we can also focus on the financial management in our daily news life, and from the middle in other to pick up the financial changes around, and thus actively encourage yourself to take the campus life, such as how people around you manage their finances, learning from their parents, elders, learning how to manage money from them, and actively participate in the family and its financial plan, so that we can have an in-depth understanding of the income and expenditure of parents, so as to cultivate their own financial thinking according to their parents' experience and financial affairs, and to experience the financial management process through actual scenes, and finally achieve the purpose of improving on their financial literacy.

#### **6. Conclusion**

As an employee, most of the time it involved more studies because there is a very little opportunity to contact with the knowledge of the financial management. Therefore, in the financial environment, finances can be managed with the little funds in your hands and as early as possible with the basic financial knowledge, through the physical meeting, you can also understand the true role and significance of financial management which is the most important information that is provided in order to obtain an effective protection for improving on your financial literacy.

#### **Acknowledgement**

Construction Project of Characteristic Professions of Department of Education of Guangdong No.2017 SJTSZY01.

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