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Programul Erasmus și Parteneriatele de Cooperare KA2

Prezentare generală a programului Erasmus+

Erasmus+ este programul Uniunii Europene care sprijină educația, formarea, tineretul și sportul în Europa. Lansat în 1987, acesta s-a extins de-a lungul decadelor, oferind oportunități nu doar studenților, ci și profesorilor, stagiarilor, voluntarilor și profesioniștilor. Programul are ca obiectiv dezvoltarea competențelor, promovarea înțelegerii interculturale și susținerea valorilor europene.

Acțiunea-cheie 2 (KA2): Cooperare între organizații și instituții

Acțiunea-cheie 2 se concentrează pe promovarea cooperării pentru inovare și schimbul de bune practici între organizații și instituții. Acțiunile sprijinite în cadrul acestui program sunt menite să contribuie semnificativ la prioritățile programului și să genereze efecte pozitive și de durată asupra organizațiilor participante, precum și asupra sistemelor de politici în care aceste acțiuni sunt implementate. Această acțiune-cheie are ca scop dezvoltarea, transferul și/sau implementarea de practici inovatoare la nivel organizațional, local, regional, național sau european.

Tipuri de proiecte în cadrul KA2

1. Parteneriate pentru cooperare:

- *Parteneriate de cooperare:* Aceste proiecte au ca scop dezvoltarea și implementarea de practici inovatoare și promovarea schimbului de experiențe între diverse organizații implicate în educație, formare și tineret.
- *Parteneriate la scară mică:* Concepute pentru a facilita accesul la program al actorilor de mici dimensiuni și al persoanelor greu accesibile din domeniile educației școlare, educației pentru adulți, formării profesionale și tineretului.

2. Parteneriate pentru excelență:

- *Centre de excelență în formarea profesională:* Vizează crearea de platforme colaborative transnaționale care contribuie la dezvoltarea locală și regională prin îmbunătățirea calității și relevanței formării profesionale.

- *Acțiunea Erasmus Mundus*: Se axează pe promovarea excelenței și internaționalizării instituțiilor de învățământ superior prin programe de studii la nivel de masterat.

3. Parteneriate pentru inovare:

- *Alianțe*: Proiecte care urmăresc stimularea inovării în învățământul superior, formarea profesională și în mediul de afaceri.
- *Proiecte orientate spre viitor*: Inițiative de anvergură care urmăresc identificarea, dezvoltarea, testarea și evaluarea unor abordări inovatoare cu potențial de implementare la scară largă în educație, formare și tineret.

4. Proiecte de consolidare a capacităților: Sprijină cooperarea internațională cu țările partenere în domeniile educației superioare, formării profesionale, tineretului și sportului.

5. Evenimente sportive europene fără scop lucrativ: Aceste evenimente urmăresc promovarea dimensiunii europene a sportului, sprijinind organizarea competițiilor sportive de masă la nivel european.

Rezultatele așteptate ale proiectelor KA2

Proiectele finanțate în cadrul Acțiunii-cheie 2 sunt destinate să producă mai multe rezultate, inclusiv:

- Abordări inovative pentru a răspunde nevoilor grupurilor țintă, cum ar fi programe de educație și formare mai atractive, abordări participative și procese noi sau îmbunătățite de recunoaștere și validare a competențelor.
- Un mediu mai modern, dinamic, angajat și profesional în cadrul organizației, pregătit să integreze bune practici și noi metode în activitățile zilnice.
- Capacitate și profesionalism sporit pentru a lucra la nivel european/internațional, incluzând competențe îmbunătățite în management și strategii de internaționalizare.
- Pentru persoanele implicate, proiectele vizează îmbunătățirea abilităților, cum ar fi competențele lingvistice, competențele digitale și o mai bună înțelegere a diversității.
- La nivel sistemic, proiectele KA2 urmăresc modernizarea și consolidarea răspunsului sistemelor de educație și formare la provocările actuale, inclusiv sustenabilitatea ambientală, transformarea digitală și incluziunea socială.

Asociația Fab Lab Iași

Asociația Fab Lab Iași este o organizație non-guvernamentală cu sediul în Iași, România, dedicată promovării educației, inovării și antreprenoriatului.



Misiunea noastră este de a sprijini tinerii în dobândirea abilităților necesare pentru piața muncii, de a oferi acces la tehnologie și instrumente digitale și de a îmbunătăți incluziunea socială a grupurilor defavorizate.

Obiectivele Asociației Fab Lab includ:

- Sprijinirea persoanelor de toate vârstele în alegerea unei educații și a unei cariere potrivite.
- Promovarea dezvoltării abilităților digitale și tehnice, în special în rândul tinerilor și grupurilor vulnerabile.
- Încurajarea alfabetizării financiare și a antreprenoriatului prin experiențe de învățare bazate pe practică.
- Extinderea accesului la educația STEM în zonele rurale și în cele defavorizate.
- Construirea unei comunități puternice de antreprenori, makers și inovatori prin oferirea de oportunități de co-working și mentorat.

Proiectele-cheie ale Asociației Fab Lab sunt:

- **Women's Digital Center** – Un program destinat să îmbunătățească abilitățile digitale ale femeilor aflate în situații vulnerabile, cum ar fi mamele singure, îngrijitorii și femeile cu venituri mici. Peste 90 de femei au beneficiat deja de această inițiativă.
- **Solidarity FabLab & FabLab Goes Mobile** – Un proiect care oferă tinerilor instruire în fabricație digitală (design CAD, imprimare 3D, tăiere cu laser, frezare CNC). Prin programul "FabLab Goes Mobile", am creat un laborator mobil care ajunge în zonele rurale, făcând educația STEM accesibilă pentru peste 360 de tineri.
- **Școala de Bani & LifeLab** – Inițiative de educație financiară menite să îmbunătățească abilitățile de gestionare a banilor în rândul copiilor și adulților. Voluntarii noștri susțin

workshop-uri bilunare în școlile locale, predând educație financiară și antreprenoriat într-un mod interactiv și practic.

Unele dintre proiectele internaționale și colaborările includ:

În 2023, am devenit coordonatori ai proiectului KA2 Erasmus+ „Budget Time”, care vizează îmbunătățirea alfabetizării financiare în rândul tinerilor pe măsură ce aceștia fac tranziția spre adulthood. Alături de partenerii noștri internaționali, dezvoltăm o metodologie interactivă de instruire și o aplicație multilingvă de educație financiară, care va beneficia peste 900 de tineri. De asemenea, Fab Lab Iași colaborează frecvent cu diverse organizații pentru implementarea de programe educaționale formale și non-formale, workshopuri de orientare în carieră și cursuri de formare antreprenorială.

Referitor la Comunitate și Infrastructură:

Fab Lab Iași a cunoscut o creștere semnificativă de la înființarea sa, câștigând tracțiune începând cu 2017, pe măsură ce și-a extins inițiativele de coworking și educație. Astăzi, operăm trei spații de coworking în oraș, oferind medii de lucru flexibile pentru peste 100 de antreprenori din domenii precum IT, robotică, marketing, arhitectură și design. Echipa noastră este formată din 10 angajați plătiți și peste 15 mentori voluntari, care susțin activ programele noastre educaționale și comunitare. Veniturile generate de spațiile noastre de coworking sunt reinvestite integral în inițiativele noastre, asigurând un sprijin continuu pentru tineri și grupuri vulnerabile. Prin eforturile noastre, cultivăm un ecosistem dinamic și incluziv care leagă educația, tehnologia și antreprenoriatul. Credem că oferind acces la cunoștințe, mentorat și instrumente inovative, putem crea noi oportunități pentru următoarea generație.

Fundația Orenda

Fundația "Orenda" este o organizație non-guvernamentală, înființată în 2011 în Varna, Bulgaria. Misiunea noastră este de a ajuta tinerii să aleagă educația și cariera potrivită, să dezvolte abilitățile necesare pentru a intra pe piața muncii, precum și să sprijinim incluziunea persoanelor cu oportunități reduse în forța de muncă și în viața comunității.

Obiectivele noastre includ:

- Sprijinirea persoanelor de toate vârstele în alegerea unui drum educațional și profesional adecvat.
- Promovarea și sprijinirea incluziunii sociale a persoanelor cu oportunități reduse și a celor din grupuri defavorizate.
- Ajutarea tinerilor să dezvolte abilitățile personale și interpersonale necesare pentru integrarea lor cu succes în societate și în forța de muncă.
- Susținerea serviciilor de informare, instruire, consultanță și educație pentru diverse grupuri țintă.
- Promovarea noilor idei și inovare în domeniul educației și al practicii profesionale, învățării pe tot parcursul vieții, educației formale și non-formale.
- Stimulând participarea activă a tinerilor în viața politică, socială și civică a comunității.

Proiectele noastre recente includ:

- **Proiectul "Meșteșuguri vii"** – un proiect ce vizează descoperirea creativității tinerilor și le oferă o alternativă pentru timpul liber, introducându-i în meșteșugurile tradiționale bulgărești.
- **Proiectul "Ieri, azi, mâine"** – tinerii au urmat traininguri în motivare, lucru în echipă, PR etc. Apoi, sprijiniți de un mentor, au realizat proiecte proprii menite să ajute comunitatea.
- **Proiectul "Tineretul ca creatori, nu consumatori"** – tinerii au fost familiarizați cu diverse tehnici de reciclare a obiectelor vechi prin meșteșuguri. În paralel, le-am predat importanța unui trai sustenabil și i-am inspirat să adopte obiceiuri ecologice în viața de zi cu zi.

De asemenea, organizăm seminarii, cursuri și vizite școlare care folosesc metode de educație non-formală pentru a promova autocunoașterea și autodezvoltarea tinerilor, concentrându-ne pe orientarea în carieră, dezvoltarea abilităților, pregătirea pentru muncă și participarea activă.

Proiecte internaționale:

- În 2023, am devenit coordonatori ai proiectului KA2 Erasmus+ „Developing skills for success through blended learning” (Oct 23 - Iulie 25), realizat în parteneriat cu Challedu (Grecia). Obiectivele principale ale proiectului sunt de a crea o metodologie de instruire

pentru tineret în 3 module: Dezvoltare personală, Dezvoltare profesională și (Antreprenariat) Social.

- În 2023, am devenit parteneri în proiectul KA2 „Budget time”, coordonat de „Fab Lab” România. Scopul acestui proiect este de a îmbunătăți alfabetizarea financiară a tinerilor în perioada tranziției de la școală la viața adultă.
- În cadrul KA1, am coordonat 4 cursuri de formare, 5 schimburi de tineret și 1 proiect de participare a tineretului în ultimii 10 ani. Proiectele noastre au abordat teme precum stilul de viață sănătos, protecția mediului, dezvoltarea abilităților pentru găsirea unui loc de muncă, stimularea participării active a tinerilor în viața comunității, printre altele.

Antreprenariat social: În 2018, am înființat o întreprindere socială – **Things with Soul LTD**, care angajează 6 persoane cu dizabilități și produce jucării educaționale pentru copii. Întreprinderea socială este un entitate separată, deținută 100% de Fundația Orenda, care poate fi partener în proiecte internaționale. Produsele noastre sunt confecționate din lemn, fetru și materiale naturale și susțin curiozitatea naturală a copiilor, învățarea prin joacă. Colaborăm cu profesori de educație specială pentru a dezvolta jucării și materiale adaptate nevoilor copiilor cu dizabilități educaționale speciale. Detalii despre produsele noastre și echipă se pot găsi pe [website-ul nostru](#).

Echipa

noastră:

Echipa Orenda este formată din 4 membri plătiți și un grup permanent de 10 voluntari care susțin activitățile noastre locale.

- **Kunka Velikova** - Co-fondator și Președinte, are un MBA în "Managementul Muncii Sociale" și este un trainer certificat în coaching.
- **Nikolinka Dimova** - Co-fondator și Vicepreședinte, cu experiență vastă în dezvoltarea și managementul proiectelor pentru programele operaționale ale UE.
- **Maria Filipova** - Psiholog și trainer de educație non-formală, cu o vastă experiență în dezvoltarea personală și profesională a tinerilor.
- **Stela Ilieva** - Coordonator al comunicării și logisticii pentru evenimentele noastre locale și internaționale, cu un MBA în protecția mediului.
- **Valko (24)** - Tânăr lucrător cu tineretul, fotograf de evenimente și sprijină materialele vizuale pentru promovarea acțiunilor noastre.

Asociația Tavo Europa

Tavo Europa (Asociacija Tavo Europa) este o organizație non-guvernamentală care se concentrează pe construirea societății civile și stabilirea statului de drept în Lituania. ONG-ul nostru a fost creat pentru a servi drept organizație educațională care adună formatori, lucrători cu tineretul și sociale, factori de decizie în politica tineretului, experți și voluntari cu diverse niveluri de competență, pentru a crea și a se implica activ în activități civice.

Formarea oferită sprijină abordările de învățare personalizată și învățarea colaborativă. Aceste abilități nu doar că pot stimula dezvoltarea personală, profesională și socio-economică a tinerilor, dar și pot reduce șomajul juvenil, îmbunătățind incluziunea socială și calitatea vieții tinerilor. În cadrul proiectelor, îi învățăm pe tineri cum să conducă o organizație, să strângă fonduri, să gestioneze un proiect, să administreze finanțele, să coordoneze comunicarea cu tinerii, să includă tinerii cu oportunități reduse și să planifice proiecte în cadrul Erasmus+ și al altor fonduri.

Scopul nostru este să furnizăm instrumente și să îmbunătățim competențele necesare pentru a crea o legătură mai puternică între experiența mobilității tineretului și perspectivele lor profesionale ulterioare, prin utilizarea metodelor non-formale care răspund nevoilor tineretului în concordanță cu cerințele pieței muncii.

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Explorarea proiectului BUDGET TIME

Obiective

... să ofere cititorilor o înțelegere completă a proiectului BUDGET TIME.

Rezultate ale învățării:

- Etape importante în proiectul BUDGET TIME
- Împuternicirea tinerilor prin educație financiară
- Comunicare eficientă în educația financiară

What time is it?

Well, it's Budget Time!

Despre ce este vorba în proiectul Budget Time?

Proiectul BUDGET TIME își propune să dezvolte competențele a 42 de lucrători cu tineretul din 3 țări (Bulgaria, Lituania și România), cu vârste între 18 și 25 de ani, în crearea, adaptarea și aplicarea metodelor de educație non-formală în domeniul managementului financiar. Proiectul va include, de asemenea, implementarea unui program de educație non-formală pentru 900 de tineri, având ca scop ajutarea acestora să înțeleagă și să administreze mai bine finanțele personale. În final, proiectul va crea o rețea competentă de lucrători cu tineretul care să poată sprijini tinerii și alți lucrători cu tineretul.

Obiectivele principale ale proiectului BUDGET TIME sunt::

1. Dezvoltarea competențelor a 42 de lucrători cu tineretul din România, Bulgaria și Lituania în crearea, adaptarea și aplicarea metodelor de educație non-formală despre managementul financiar cu tineri cu vârste între 18-25 de ani.
2. Crearea unei aplicații online pentru tineri, care să îmbunătățească alfabetizarea financiară, oferindu-le tinerilor oportunitatea de a practica luarea deciziilor financiare și de a învăța din consecințe.
3. Derularea a 180 de ateliere cu 900 de tineri cu vârste între 18-25 de ani în 6 orașe (Iași, Craiova, Varna, Plovdiv, Vilnius, Kaunas).
4. Crearea unei rețele competente de lucrători cu tineretul care să poată sprijini tinerii și alți lucrători cu tineretul.

5. Crearea unui Modul Financiar care să includă 30 de metode bazate pe educația non-formală, destinate îmbunătățirii alfabetizării financiare și abilităților de gestionare a finanțelor.

Această carte își propune să ofere facilitatorilor și educatorilor instrumentele necesare pentru a învăța tinerii despre alfabetizarea financiară într-un mod eficient. Prin integrarea unei varietăți de metode de Educație Non-Formală (ENF), precum și prin exerciții practice, această carte va ajuta la reducerea decalajului de cunoștințe identificat. În plus, oferă îndrumări despre cum să răspundă diferitelor nevoi de învățare și creează un mediu de învățare inclusiv, capabil să ajungă la audiențe diverse.

Această carte a fost creată ca răspuns la necesitatea urgentă de a îmbunătăți alfabetizarea financiară în toate categoriile demografice. Alfabetizarea financiară nu înseamnă doar înțelegerea banilor; este despre a oferi indivizilor puterea de a lua decizii informate care le afectează viața și comunitățile. Într-o lume în care sistemele financiare devin din ce în ce mai complexe, această carte oferă o bază solidă în concepte financiare care sunt esențiale pentru:

1. **Luarea de decizii informate:** Alfabetizarea financiară le permite indivizilor să ia decizii mai bune privind economiile, investițiile și gestionarea datoriilor. Acest lucru poate duce la o stabilitate financiară personală mai mare și reduce probabilitatea de a cădea în capcanele financiare.
2. **Reducerea inegalităților economice:** Oferind acces egal la educația financiară, putem contribui la reducerea decalajului dintre diferitele grupuri socioeconomice, ceea ce duce la o societate mai echitabilă.
3. **Sprijinirea populațiilor vulnerabile:** Așa cum evidențiază inegalitatea de gen în alfabetizarea financiară, există o nevoie specifică de a sprijini grupurile care sunt tradițional subreprezentate în educația financiară. Acestea includ femeile, dar și persoanele din medii defavorizate.
4. **Pregătirea pentru viitor:** În lumea rapidă de astăzi, alfabetizarea financiară este esențială pentru a face față provocărilor precum crizele economice, pierderea locului de muncă și planificarea pensionării. A fi alfabetizat financiar înseamnă a fi pregătit pentru incertitudinile viitorului.

Comunicarea eficientă este un pilon al unui training de succes și al vorbirii în public. Indiferent dacă te adresezi unui grup mic de participanți sau unei audiențe mari, abilitatea de a adapta mesajul și abordarea pentru a se potrivi dimensiunii și dinamicii audienței este esențială.

Această carte este concepută pentru a ghida educatorii prin principiile analizei audienței și pentru a oferi strategii practice de implicare a participanților în diverse contexte de grup. În cadrul acesteia, cititorii vor găsi informații detaliate despre cum să evalueze și să se adapteze la diferite dimensiuni ale audienței, asigurându-se că activitățile de training sunt atât impactante, cât și bine primite. Prin înțelegerea nevoilor și provocărilor specifice asociate cu diversele dimensiuni ale grupurilor, se pot concepe și livra prezentări care să rezoneze cu audiența, indiferent de dimensiunea acesteia.

Atunci când interacționezi cu conținutul acestei cărți, abordarea comunicării cu colegii tăi va depinde de dimensiunea grupului din care vei face parte. Iată la ce să te aștepți:

- **Grup mic (5-10 persoane):** Interacțiunea tinde să fie mai personală. Discuțiile vor include atât conversații individuale, cât și activități de grup, permițând o implicare mai profundă.
- **Grup mediu (10-30 persoane):** Setarea devine mai structurată. Deși există încă loc pentru interacțiune individuală, focusul se mută către adresarea grupului în ansamblu. Vor fi folosite materiale vizuale, iar întrebările vor fi concepute cu grijă pentru a asigura claritatea pentru toți.
- **Grup mare (30-100 persoane):** Dinamica se schimbă pe măsură ce grupul crește. Poate părea mai puțin personal, iar prezentatorul va depinde de instrumente precum microfoanele și prezentările bine pregătite pentru a se asigura că mesajul ajunge eficient la toți participanții.
- **Grup foarte mare (peste 100 de persoane):** În acest tip de setting, prezentarea va părea mai mult o performanță pe scenă. Vorbitorul va adopta o abordare mai teatrală pentru a menține audiența implicată și pentru a se asigura că mesajul rezonază cu o audiență atât de mare.

Pentru a fi un comunicator și ghid impactant, anumite calități esențiale sunt necesare (calități care merg dincolo de simpla transmitere a informațiilor). Vorbitorii excelenți nu doar că prezintă; ei se conectează cu audiența lor, îi inspiră și o ghidează spre obiectivele sale. Aceste calități fac ca mesajul lor să fie semnificativ și memorabil. Iată ce face un vorbitor sau mentor deosebit:

- **Cunoștințe:** Un vorbitor trebuie să fie bine informat despre subiectul său. Această înțelegere completă îi permite să împărtășească informații cu încredere și autoritate, asigurându-se că audiența dobândește cunoștințe valoroase.

- **Atitudine:** Atitudinea unui vorbitor influențează semnificativ capacitatea sa de a se conecta cu audiența. O atitudine pozitivă, accesibilă și empatică ajută la crearea unui mediu în care audiența se simte motivată și încurajată să învețe și să se dezvolte.

- **Abilități:** Comunicare eficientă este esențială pentru un discurs de succes. Un vorbitor trebuie să dețină abilități puternice de articulare, ascultare activă și adaptabilitate, permițându-i să transmită mesajul clar și să răspundă nevoilor audienței.

- **Experiențe:** Folosind exemple din experiențele personale și profesionale, un vorbitor poate oferi sfaturi utile și exemple la care audiența se poate raporta. Aceste experiențe îmbogățesc prezentările, făcând conținutul mai relevant și impactant pentru audiență.

Comunicare eficientă în educația financiară

Când înveți sau împărtășești idei despre educația financiară, este important să înțelegi cum funcționează comunicarea. Spre surprinderea multora, doar 7% din comunicare provine din cuvintele folosite. O parte mai mare (aproape 35%) vine din modul în care spui acele cuvinte, inclusiv tonul, inflexiunea și viteza vorbirii. Cea mai mare parte (aproape 58%) provine din semnalele non-verbale, cum ar fi limbajul corporal, expresiile faciale și gesturile. Recunoașterea acestor dinamici poate ajuta la asigurarea faptului că ceea ce împărtășești despre alfabetizarea financiară nu este doar auzit, ci și înțeles și reținut pe deplin.

Comunicarea non-verbală include mai multe elemente care afectează modul în care mesajul tău este recepționat. De exemplu, postura ta poate arăta încredere și te poate face să pari abordabil. Gesturile pot sublinia punctele importante și menține audiența interesată. Expresiile faciale ajută la transmiterea emoțiilor și a sincerității, în timp ce contactul vizual construiește un sentiment de conexiune și concentrare. De asemenea, este important să potrivești ceea ce spui cu modul în care o spui (semnalele amestecate pot provoca confuzie). Chiar și distanța față de cineva contează și poate influența modul în care interpretează mesajul tău.

A avea carismă, sau capacitatea de a inspira și capta atenția, te face mai captivant și impactant. Acordând atenție acestor aspecte ale comunicării, poți să te conectezi mai bine cu ceilalți și să faci subiectele financiare mai interesante și relevante pentru toți cei implicați.

Feedback (oferirea/cererea acestuia)

Feedbackul este un instrument puternic pentru îmbunătățirea comportamentului și performanței. Acesta oferă informații despre ceea ce cineva face bine și de ce funcționează, sau ce ar putea fi îmbunătățit și de ce schimbările respective ar fi eficiente. Accentul este întotdeauna pe acțiuni și comportamente observabile, mai degrabă decât pe trăsături personale.

Iată câteva principii pentru a oferi feedback:

- Întotdeauna cere permisiunea sau fă clar că urmează să oferi feedback.
- Critică acțiunile sau performanța, nu persoana.
- Oferă feedback doar asupra comportamentelor care pot fi efectiv schimbate.
- Evită să faci judecăți directe; în schimb, oferă sugestii.
- Comunică clar pentru a te asigura că toți înțeleg aceleași aspecte ale situației.
- Fii specific în feedback-ul tău.
- Rămâi la fapte care pot fi observate, evitând opiniile sau interpretările personale.
- Evită etichetarea sau judecarea individului.
- Alege momentul potrivit pentru a oferi feedback, pentru a avea un impact maxim.

Când **primești feedback**, anumite principii te pot ajuta să-l valorifici la maximum:

- Consideră feedback-ul ca pe un cadou – o oportunitate de a învăța și de a te dezvolta.
- Abordează feedback-ul cu mintea deschisă, încercând să-l vezi din perspectiva celui care îl oferă.
- Rezistă impulsului de a te apăra.
- Cere exemple pentru a înțelege mai bine feedback-ul.
- Feedback-ul pozitiv poate fi împărtășit deschis, dar feedback-ul constructiv este cel mai bine oferit privat.

Utilizând aceste abordări, feedback-ul devine o experiență constructivă și pozitivă, fie că îl oferi, fie că îl primești.

Explorarea capitolelor următoare

Înainte de a pătrunde în capitolele următoare, este important să avem așteptări clare. Având în vedere limitele de pagină ale acestei cărți, fiecare capitol se concentrează pe aspecte specifice ale subiectelor mai largi tratate. Această carte ar trebui considerată ca **un ghid, un plan de călătorie** care subliniază punctele cheie ale educației financiare, oferind totodată o privire generală asupra conceptelor cele mai importante. În loc să se adâncească în fiecare detaliu, conținutul este conceput pentru a echipa cititorii cu **elementele esențiale** și pentru a le oferi o bază pentru **explorări ulterioare**.

Pe parcurs, cititorii vor întâlni „spoileri” pentru fiecare subiect, oferindu-le suficientă informație pentru a le stârni curiozitatea și a-i încuraja să investigheze mai departe.

Un mesaj pentru cititorii acestei lucrări: ***amintește-ți, această carte nu este sfârșitul călătoriei tale, ci începutul explorării tale în lumea alfabetizării financiare.***

Fiecare capitol se încheie cu o secțiune **Reflectă & Discută**, care conține întrebări menite să stimuleze reflecția atentă și **discuțiile în grup**. Se încurajează abordarea acestor întrebări în perechi, deoarece ajută la conectarea conceptelor cu experiențele și ideile personale. Acest exercițiu are ca scop aprofundarea înțelegerii și promovarea unei abordări mai interactive a învățării și **comunicării. Feedback-ul** joacă un rol esențial în acest proces, oferind informații valoroase despre înțelegerea ta și eficiența discuțiilor. Oferirea de feedback constructiv atât profesorului pe parcursul cursului, cât și colegilor tăi în timpul exercițiilor „Reflectă & Discută” va contribui la îmbunătățirea experienței de învățare și va asigura ca toată lumea să beneficieze de un schimb mai dinamic de idei.

În **Capitolul 1** al acestei cărți, cititorii vor explora *esențialele educației financiare* și vor descoperi de ce joacă un rol atât de important în viața de zi cu zi. Capitolul își propune să explice ce înseamnă cu adevărat alfabetizarea financiară și de ce este crucială pentru a lua decizii financiare informate. Studenții vor explora cum educația financiară servește ca fundament pentru construirea acestei alfabetizări, oferind beneficii pe termen lung care se extind în succesul personal și profesional. În plus, capitolul introduce cele cinci competențe financiare cheie (Economisire, Investire, Câștig, Împărțire și Cheltuirea), oferind un cadru pentru gestionarea eficientă a banilor. La sfârșitul acestui capitol, cititorii vor avea o înțelegere solidă a acestor concepte, pregătind terenul pentru subiecte mai avansate în capitolele următoare.

În **Capitolul 2**, cititorii vor explora *conceptele fundamentale ale bugetării*, un pilon al alfabetizării financiare. Acest capitol clarifică ce înseamnă cu adevărat un buget și subliniază

rolul său în atingerea obiectivelor financiare, atât pe termen scurt, cât și pe termen lung. Cititorii vor învăța distincția crucială între nevoi și dorințe, învățând cum această diferențiere formează baza unei planificări financiare eficiente. În plus, capitolul trece în revistă pașii esențiali pentru crearea unui buget, oferind ghidaj practic pentru a ajuta cititorii să creeze un cadru personalizat pentru gestionarea veniturilor și cheltuielilor. La sfârșitul acestui capitol, cititorii vor fi echipați cu instrumentele necesare pentru a-și stabili obiective financiare realiste și pentru a face primii pași spre stăpânirea finanțelor personale. Pentru a îmbunătăți experiența de învățare introdusă aici, cartea include un instrument practic la final, intitulat **Bugetul Personal**. Acest capitol suplimentar servește drept instrument pentru a ajuta cititorii să aplice conceptele de bugetare învățate în propriile lor vieți.

În **Capitolul 3**, cititorii vor explora esențialele *planificării financiare* și vor descoperi cum aceasta servește drept fundație pentru un viitor stabil și prosper. Capitolul oferă informații despre importanța unui plan financiar clar, ajutând cititorii să înțeleagă de ce planificarea proactivă este esențială pentru atingerea obiectivelor atât pe termen scurt, cât și pe termen lung. Prin perspective practice, cititorii vor înțelege beneficiile planificării financiare, de la securitatea financiară sporită până la capacitatea de a lua decizii informate care să se alinieze cu aspirațiile personale. Mai mult, acest capitol introduce cele șapte tipuri esențiale de planificare financiară, oferind o imagine de ansamblu asupra unor domenii critice precum bugetarea, economisirea, investițiile, planificarea pensiilor, planificarea fiscală, asigurările și planificarea patrimoniului. La sfârșitul acestui capitol, cititorii nu doar că vor avea o înțelegere mai clară a ceea ce presupune planificarea financiară, dar se vor simți și pregătiți să facă primii pași către construirea unei hărți pentru viitorul lor financiar.

Capitolul 4 se concentrează pe doi piloni fundamentali ai bunăstării financiare: *economisirea și investițiile*. Cititorii vor înțelege clar diferențele esențiale dintre aceste două practici financiare și vor învăța cum fiecare joacă un rol unic în atingerea stabilității financiare și a creșterii pe termen lung în viața personală. Capitolul subliniază importanța echilibrării economisirii și investițiilor pentru a răspunde atât nevoilor imediate, cât și obiectivelor pe termen lung. Cititorii vor explora caracteristicile economisirii, cum ar fi securitatea și accesibilitatea, și le vor compara cu riscurile și recompensele asociate investițiilor. Pe parcurs, cititorii vor întâlni statistici actualizate care ilustrează tendințele din lumea reală, ajutându-i să-și contextualizeze deciziile financiare. La finalul acestui capitol, cititorii vor avea cunoștințele necesare pentru a dezvolta o abordare echilibrată între economisire și investiții, asigurându-și astfel o bază solidă pentru viitorul lor financiar.

În **Capitolul 5**, cititorii sunt introduși în lumea *serviciilor bancare de retail*, oferind un ghid esențial despre produsele și serviciile disponibile în bănci pentru consumatorii individuali. Conținutul începe prin explicarea a ceea ce înseamnă serviciile bancare de retail și rolul lor în gestionarea zilnică a finanțelor personale. Sunt prezentate o gamă variată de produse și servicii bancare, oferind informații despre cum pot fi utilizate eficient pentru gestionarea finanțelor personale. Capitolul pune accent pe particularitățile unui cont curent, precum și pe aspectele cheie ale împrumuturilor. La finalul acestui capitol, cititorii vor fi încrezători în capacitatea lor de a naviga prin sistemul bancar, de a selecta produsele financiare potrivite și de a folosi aceste instrumente pentru a-și sprijini obiectivele financiare personale.

Capitolul 6 îi introduce pe cititori în lumea *investițiilor*, oferind o imagine de ansamblu detaliată asupra scopului și principiilor lor cheie. Capitolul începe prin a defini ce reprezintă o investiție și explică de ce investițiile sunt un component crucial al creșterii personale și financiare. Cititorii vor explora conceptul de schimb între risc și randament, un principiu de bază care ghidează deciziile de investiții. Vor fi prezentate diferite tipuri de investiții, de la acțiuni și obligațiuni, până la imobiliare și fonduri mutuale, ajutând cititorii să înțeleagă caracteristicile și rolurile lor în construirea unui portofoliu diversificat de investiții. La finalul acestui capitol, cititorii vor avea o înțelegere clară a investițiilor, vor fi capabili să înțeleagă echilibrul dintre risc și randament și vor putea diferenția principalele tipuri de investiții pentru a lua decizii financiare informate.

Capitolul 7 oferă cititorilor o înțelegere detaliată a două produse financiare esențiale: *asigurările și pensiile private*. Secțiunea începe prin explicarea importanței acestor instrumente în gestionarea riscurilor financiare, asigurarea stabilității financiare pe termen lung și planificarea pentru pensionare. Cititorii vor învăța ce sunt asigurările, tipurile de polițe de asigurare disponibile și cum fiecare dintre ele îndeplinește un rol diferit în protejarea finanțelor personale și familiale. O atenție specială este acordată celor patru tipuri principale de asigurări, detaliind beneficiile unice ale fiecăruia. În plus, capitolul abordează subiectul pensiilor, explicând ce reprezintă o pensie și ghidând cititorii prin procesul de selecție și aderare la un fond de pensii administrat privat pentru a-și asigura viitorul financiar. La finalul acestui capitol, cititorii vor avea o înțelegere clară a modului în care asigurările și pensiile private pot juca un rol important în gestionarea riscurilor financiare și în planificarea unei pensionări sigure.

Capitolul 8 introduce cititorii în *lumea antreprenoriatului*, oferind o înțelegere fundamentală a ceea ce înseamnă a fi antreprenor și cum antreprenoriatul poate modela economia. În primul rând, cititorii vor înțelege ce este antreprenoriatul și vor explora calitățile

esențiale care fac un antreprenor de succes. De asemenea, studenții vor descoperi cele patru tipuri principale de antreprenoriat, fiecare cu caracteristici și abordări proprii pentru începerea și dezvoltarea unei afaceri. Capitolul pune accent și pe cele zece sfaturi financiare esențiale pentru antreprenori, concentrându-se pe strategii de atingere a independenței financiare și de asigurare a succesului pe termen lung al unei afaceri. La finalul acestui capitol, cititorii vor avea o înțelegere clară a conceptului de antreprenoriat, vor putea identifica diferitele tipuri de antreprenoriat și vor beneficia de sfaturi financiare practice pentru a-i ajuta în drumul lor către independența financiară și succesul în afaceri.

Capitolul 9 introduce cititorii în *concepte esențiale de protecție a consumatorilor financiari*, punând accent pe riscurile asociate cu produsele și serviciile financiare și importanța protejării împotriva fraudelor. Capitolul începe prin a explica ce înseamnă protecția consumatorilor financiari și de ce este esențială pentru gestionarea în siguranță a finanțelor personale. Cititorii vor înțelege cum apar escrocheriile și fraudele financiare, învățând să recunoască semnele de avertizare și să înțeleagă tacticile utilizate de escroci. Capitolul acoperă, de asemenea, cele mai comune tipuri de escrocherii și fraude financiare, ajutând cititorii să le diferențieze și să se protejeze împotriva pierderilor financiare potențiale. La finalul acestui capitol, cititorii vor avea o înțelegere completă a protecției consumatorilor financiari, vor putea identifica escrocheriile și fraudele comune și vor avea cunoștințele necesare pentru a-și proteja finanțele de practicile înșelătoare.

În cele din urmă, **capitolul 10** oferă cititorilor o înțelegere de bază a pieței muncii, concentrându-se pe abilitățile esențiale necesare pentru a avea succes în sectorul financiar competitiv. Capitolul începe prin a explica dimensiunea și structura pieței muncii, cu un accent special pe oportunitățile din cadrul Uniunii Europene. Cititorii vor explora abilitățile esențiale necesare pentru a reuși pe piața muncii din domeniul financiar, de la expertiză tehnică la abilități soft, cum ar fi comunicarea și rezolvarea problemelor. Capitolul acoperă, de asemenea, structurile salariale din industria financiară, oferind îndrumări despre cum să calculezi și să negociezi salariul într-un interviu de angajare sau discuție de carieră. La finalul acestui capitol, cititorii vor avea o înțelegere clară a pieței muncii financiare, vor fi familiarizați cu abilitățile necesare pentru a ieși în evidență și se vor simți încrezători în negocierea salariului pentru a obține o poziție competitivă și recompensatoare.

La sfârșitul cărții, cititorii vor găsi **Secțiunea cu Ideile Cheie**, care reprezintă un rezumat concis al conceptelor principale abordate în capitolele anterioare. În plus, este inclus un **Glosar**, o resursă utilă destinată să ajute cititorii să navigheze prin **peste 200 de termeni** și

concepte financiare prezentate de-a lungul capitolelor. Indiferent dacă se întâlnesc cu terminologie nouă sau revin la concepte esențiale, această secțiune oferă definiții clare și concise care vor îmbunătăți nivelul actual de cunoștințe și înțelegere.

1. Introducere in Educația Financiară

Obiective:

...pentru a oferi cititorilor o imagine de ansamblu asupra educației financiare și a relevanței acesteia în viața de zi cu zi.

Rezultate ale învățării:

- Înțelegerea a ceea ce este alfabetizarea financiară și importanța sa în luarea unor decizii financiare informate.
- Înțelegerea rolului educației financiare în construirea alfabetizării financiare și beneficiile acesteia.
- Identificarea celor cinci competențe financiare esențiale: economisire, investiții, câștiguri, împărțire și cheltuieli.

Ce este educația financiară?

Sondajul Global de Alfabetizare Financiară al S&P definește **alfabetizarea financiară** ca fiind capacitatea de a înțelege concepte financiare simple pentru a lua decizii informate referitoare la economii, investiții și împrumuturi. Alfabetizarea financiară se referă la abilitatea de a înțelege și aplica diverse abilități financiare, cum ar fi gestionarea personală a banilor, bugetarea și investițiile. A fi alfabetizat financiar reprezintă o bază esențială pentru dezvoltarea unei abordări gândite și informate în gestionarea banilor. Această înțelegere servește drept punct de plecare pentru un drum continuu de învățare despre aspectele financiare pe tot parcursul vieții. Începerea procesului de alfabetizare financiară devreme duce, de obicei, la rezultate mai favorabile în timp. Pentru o privire generală asupra nivelurilor globale de educație financiară, consultați Figura 1.1.

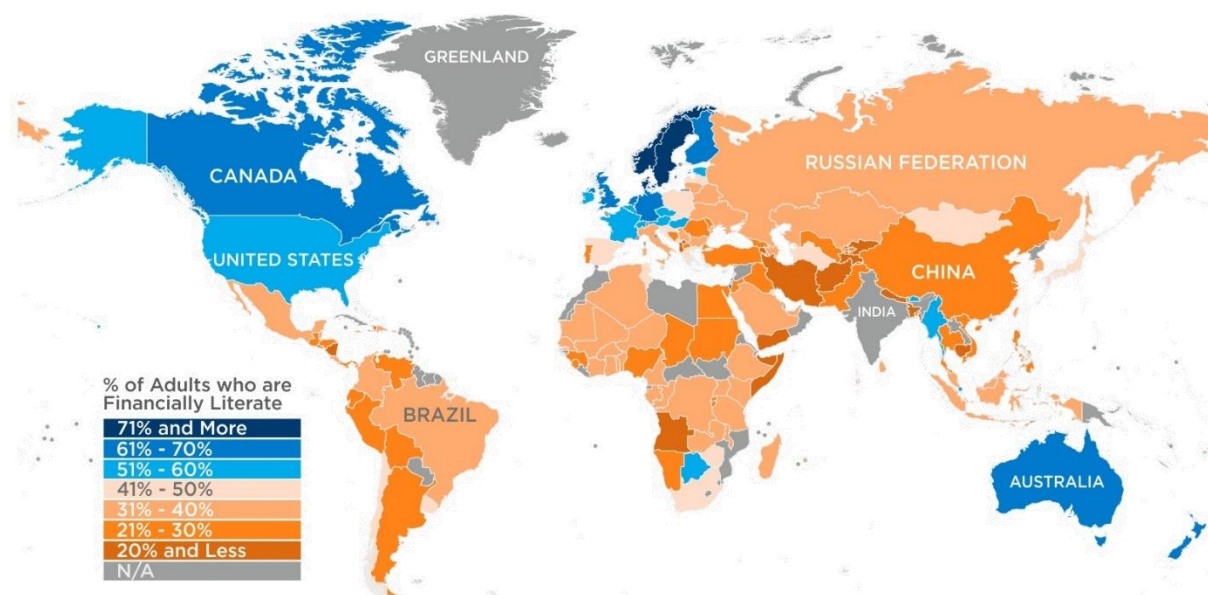


Figure no. 1.1 – Educația financiară în lume

Source: <https://howmuch.net/articles/financial-literacy-around-the-world>

Danemarca, Norvegia și Suedia se află în fruntea alfabetizării financiare, fiecare având un procent de 71%. Alfabetizarea financiară la nivel global pare a fi cea mai puternică în țările cu economii dezvoltate și avansate, în special în Europa de Vest și în țările vorbitoare de limba engleză. Acestea sunt urmate îndeaproape de Canada și Israel, cu 68%, și Regatul Unit cu 67%. Germania și Olanda se află la 66%, în timp ce Australia și Finlanda completează topul 10 cu 64% și 63%, respectiv. Nu există țări din America de Sud în care mai mult de 50% din populație să fie alfabetizată financiar, iar în întreaga Africă există doar o singură țară în această situație.

Iată un exercițiu interesant: priviți Figura nr. 1.2, despre sărăcia extremă la nivel global, și comparați-o cu cea de mai sus. Este interesant de observat că nu pare să existe o legătură puternică între nivelurile de sărăcie și alfabetizarea financiară. De exemplu, țări precum Rusia și China au rate scăzute ale sărăciei extreme, dar, în același timp, prezintă nivele foarte scăzute de alfabetizare financiară. Acest lucru sugerează că sărăcia nu înseamnă automat analfabetism financiar, la fel cum faptul că cineva este bogat nu garantează alfabetizarea financiară.

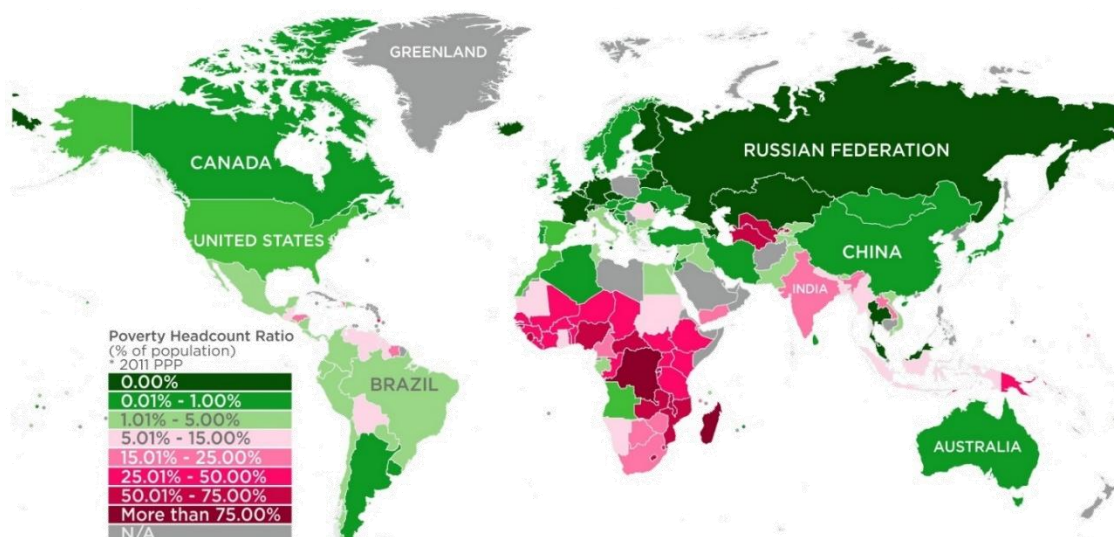


Figure no. 1.2 – Procentul din populație care trăiește cu mai puțin de 1,90 \$/zi.)

Sursa: <https://howmuch.net/articles/people-living-in-extreme-poverty-2018>

Concentrându-ne pe Europa, aceasta se remarcă drept continentul cu cele mai mari disparități în ceea ce privește alfabetizarea financiară între țările sale. În frunte se află țările scandinave, cu Norvegia și Suedia conducând, fiecare obținând un impresionant 71%. Țările din nord-vestul Europei sunt în general excelent clasate în ceea ce privește alfabetizarea financiară, așa cum reflectă și Studiul despre Alfabetizarea Financiară. Cu toate acestea, pe măsură ce ne deplasăm spre sud, scorurile scad semnificativ. Portugalia, de exemplu, înregistrează un scor modest de 26%, cel mai scăzut din Europa de Vest. Situația este la fel de îngrijorătoare în Europa de Est, unde nici o țară nu reușește să depășească 50%, evidențiind provocările regionale semnificative în materie de alfabetizare financiară. De exemplu, **România** înregistrează un scor de 22% în indicele de alfabetizare financiară, în timp ce **Lituania** obține 39% și **Bulgaria** 35%. Vezi Figura nr. 1.3.

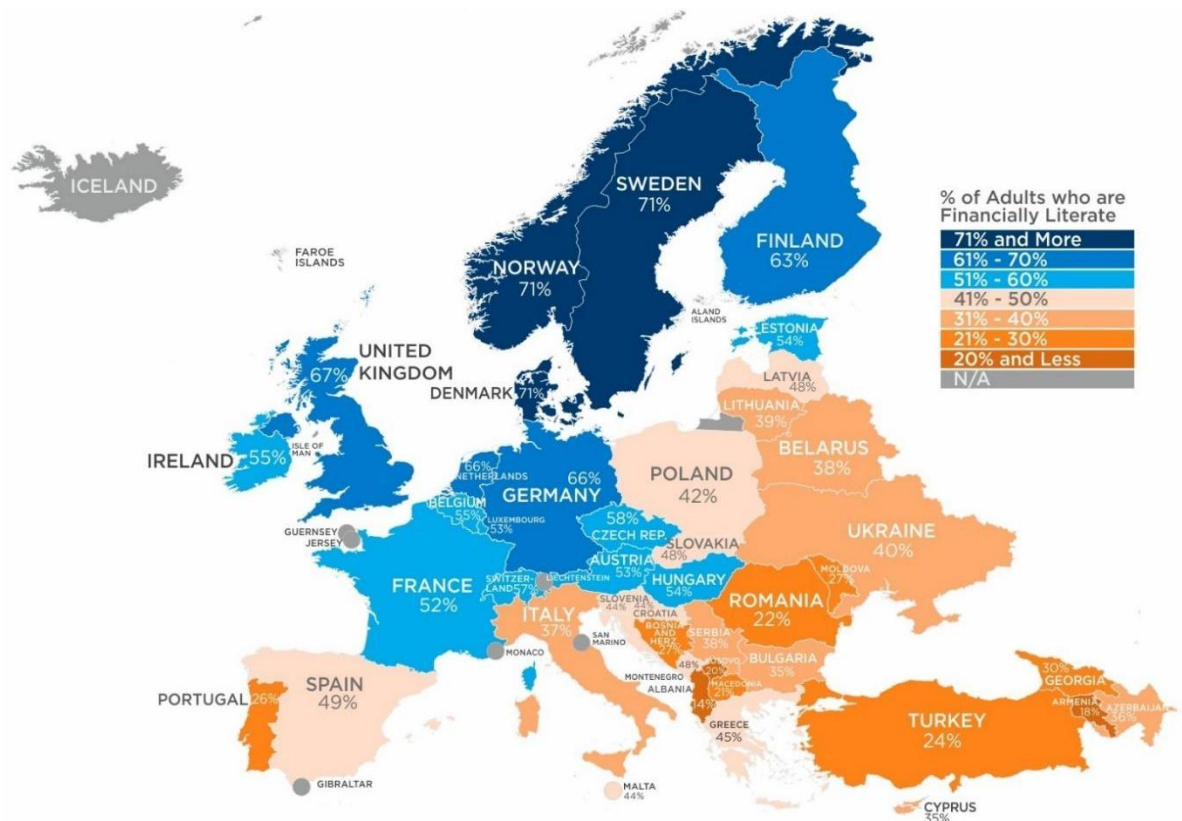


Figure no. 1.3 – Financial literacy in Europe

Source: <https://howmuch.net/articles/financial-literacy-around-the-world>

În timp ce alfabetizarea financiară se referă la abilitatea indivizilor de a înțelege și aplica concepte financiare în mod eficient, **educația financiară** este procesul care cultivă și îmbunătățește această înțelegere. Cu alte cuvinte, alfabetizarea financiară reprezintă rezultatul dorit (capacitatea de a lua decizii financiare informate), în timp ce educația financiară oferă calea, echipând oamenii cu cunoștințele, instrumentele și strategiile necesare pentru a atinge această capacitate. Printr-o ghidare bine structurată, educația financiară dezvoltă încrederea în gestionarea banilor, ajutând indivizii să treacă de la înțelegerea principiilor financiare la aplicarea lor semnificativă în viața de zi cu zi. Această carte servește drept o resursă valoroasă în acest parcurs, oferind instrumente practice și abordări inovative pentru a face educația financiară mai accesibilă, captivantă și de impact pentru tineri.

Figura nr. 1.4 evidențiază o diferență semnificativă în ceea ce privește alfabetizarea financiară la nivel global. Potrivit Sondajului S&P Global FinLit, doar **33% dintre adulți din întreaga lume dețin alfabetizare financiară**. Această statistică devine și mai îngrijorătoare atunci când analizăm diferențele între regiuni și demografii. De exemplu, în **Statele Unite, 57% dintre adulți sunt financiar alfabetizați**, un procent semnificativ mai mare decât media

globală, dar care lasă în continuare o porțiune considerabilă din populație fără cunoștințele financiare esențiale.¹



Figure no. 1.4 – Importanța educației financiare și nevoia acestui manual

Sursa: <https://bankingnews.ro/educatia-financiara-in-scoala.html>

Mai mult, imaginea subliniază o disparitate de gen în ceea ce privește alfabetizarea financiară, **35% dintre bărbați** fiind alfabetizați financiar, comparativ cu doar **30% dintre femei**. Această diferență subliniază necesitatea unor eforturi specifice de educație financiară care să țină cont atât de factori de gen, cât și de cei culturali.

Avantajele alfabetizării financiare și importanța educației financiare

Înțelegerea modului de a gestiona banii, de a investi în mod înțelept și de a planifica pentru viitor nu se referă doar la acumularea de avere, ci la asigurarea unei vieți stabile și împlinite pentru fiecare individ și comunitatea sa. În zilele noastre, alfabetizarea financiară a evoluat într-o competență esențială de viață, care a depășit statutul de „ceva de dorit” pentru a deveni o necesitate absolută pentru toată lumea. Acest lucru este deosebit de important pentru tinerii adulți cu vârste între 18 și 25 de ani, care trec printr-o perioadă de viață plină de decizii financiare semnificative. Pentru mulți, aceasta este prima dată când iau decizii independente referitoare la împrumuturile pentru studii, cheltuielile de trai, economiile și chiar înțelegerea sistemelor de credit. Educația financiară joacă un rol cheie în echiparea acestora cu instrumentele necesare pentru a face față acestor provocări într-un mod eficient. Aceasta le oferă indivizilor puterea de a-și controla finanțele, permițându-le să ia decizii aliniate cu obiectivele, valorile și aspirațiile lor. Prin dezvoltarea acestui sentiment de control, alfabetizarea financiară îmbunătățește nu doar bunăstarea financiară, ci și un sentiment mai larg de scop și împlinire în viață.²

•

¹ <https://fasolutions.com/blog/only-33-of-adults-are-financially-literate/>.

² <https://www.investopedia.com/terms/f/financial-literacy.asp>.

În mediul economic complex de astăzi, alfabetizarea financiară se evidențiază ca o abilitate esențială pentru a face față provocărilor și oportunităților vieții. **Beneficiile cunoștințelor financiare** sunt vaste, influențând nu doar calitatea vieții unei persoane, ci și capacitatea acesteia de a contribui la economia generală. Unele dintre principalele beneficii ale alfabetizării financiare se referă la:

- le permite oamenilor să facă **alegeri mai inteligente** cu privire la modul în care își câștigă, economisesc și cheltuiesc banii, îmbunătățindu-le procesul de luare a deciziilor.
- oferă instrumentele necesare pentru **a gestiona finanțele în mod eficient**, reducând dependența de datorii și evitând capcanele financiare.
- pregătește indivizii să își planifice și să lucreze pentru **atingerea obiectivelor financiare pe termen lung**.
- ajută persoanele să **elimine cheltuielile inutile și să-și regleze mai eficient obiceiurile de consum**.
- diminuează **incertitudinea și stresul** adesea asociate cu gestionarea banilor, oferind liniște sufletească.
- oferă oamenilor puterea de a lua **decizii responsabile și informate** atunci când aleg produse financiare, precum asigurări, împrumuturi și investiții sau când folosesc creditul.
- permite fiecăruia să **fie mai adaptat la crearea și menținerea unor bugete care să se alinieze veniturilor și priorităților lor**.

Una dintre nevoile fundamentale pe care educația financiară le abordează, în general, este **siguranța**. Aceasta include capacitatea de a crea un fond de rezervă financiar pentru a face față incertitudinilor vieții, precum pierderea locului de muncă, urgențele medicale sau cheltuielile neașteptate. Prin înțelegerea importanței economisirii, realizării unui buget și asigurărilor, indivizii își pot proteja atât propria persoană, cât și familiile de dificultăți financiare. Acest sentiment de siguranță le permite oamenilor să trăiască fără teama constantă a instabilității financiare, aspect esențial pentru bunăstarea generală.

Libertatea financiară este un alt aspect esențial îndeplinit prin educația financiară. Fiecare persoană definește libertatea financiară în funcție de propriile obiective. Pentru majoritatea oamenilor, aceasta înseamnă a avea un fond de rezervă financiar (economii, investiții și numerar) care să le permită un anumit stil de viață – plus o sumă destinată

pensionării sau libertatea de a urma orice carieră, fără a fi constrânși de necesitatea unui anumit salariu.

Atunci când indivizii sunt educați din punct de vedere financiar, ei dobândesc capacitatea de a face alegeri care nu sunt dictate exclusiv de constrângerile financiare. Aceasta poate însemna libertatea de a urma o pasiune, de a se pensiona mai devreme, de a călători sau, pur și simplu, de a trăi fără stresul datoriilor. Educația financiară oferă instrumentele necesare pentru atingerea acestei libertăți, cum ar fi înțelegerea modului de eliminare a datoriilor, investirea în active care cresc în timp și planificarea pentru obiective pe termen lung, precum pensionarea sau achiziționarea unei locuințe³.

Libertatea financiară înseamnă mai mult decât simpla înțelegere a conceptelor financiare; este capacitatea de a lua decizii fără a fi împiedicat de stresul financiar. Aceasta presupune acumularea suficientă de avere pentru a acoperi cheltuielile zilnice, oferind totodată libertatea de a explora pasiuni, de a stabili obiective și de a trăi experiențe fără grija constantă a banilor.

Pe de altă parte, *independența financiară* este rezultatul aplicării constante a cunoștințelor financiare, ajungând în punctul în care o persoană nu mai depinde de un loc de muncă tradițional sau de surse externe pentru a-și susține stilul de viață. A fi independent financiar înseamnă a avea venituri, economii sau investiții suficiente pentru a trăi confortabil pe tot parcursul vieții și pentru a-ți îndeplini toate obligațiile fără a fi dependent de un salariu.

Atunci când indivizii trec de la învățarea despre finanțe la atingerea libertății și independenței financiare, ei nu doar că dobândesc stabilitate, ci și preiau controlul asupra propriilor vieți. Această tranziție le permite să acorde prioritate dezvoltării personale, să contribuie în mod semnificativ la societate și să își planifice un viitor care să fie în armonie cu aspirațiile și valorile lor fundamentale.

Convingerile limitative despre bani sunt percepții profund înrădăcinate care influențează modul în care oamenii își percep potențialul financiar, locul lor în lume și felul în care cred că funcționează „regulile nescrise” ale Universului. Aceste convingeri, formate adesea încă din copilărie, pot crea bariere în calea succesului financiar și a împlinirii personale, determinând comportamente care duc la rezultate nedorite.

³ <https://www.investopedia.com/articles/personal-finance/112015/these-10-habits-will-help-you-reach-financial-freedom.asp>.

Competențele financiare esențiale

Alfabetizarea financiară presupune stăpânirea a cinci competențe esențiale: economisirea, investirea, câștigarea, împărțirea și cheltuirea. Înțelegerea profundă a acestor concepte în raport cu valorile financiare și de viață ale familiei este crucială pentru aplicarea eficientă a abilităților de gestionare a banilor. Multe familii consideră benefic să aibă discuții deschise și să creeze o declarație scrisă a valorilor, care să le ghideze deciziile financiare.

Merrill Lynch, Pierce, Fenner & Smith Incorporated a oferit declarații de valori pentru a ajuta indivizii să identifice și să discute valorile care definesc familia lor. În ghidul lor, fiecare discuție despre competențe începe cu o declarație exemplu de valori, subliniind legătura dintre valorile familiei și educația financiară ⁴.

Table 3.1 –Valorile familiei și cele cinci competențe financiare de bază

Competențe financiare	Exemple de valori ale familiei: Noi prețuim...
1. Economisire	<ul style="list-style-type: none"> • Alegerea care reflectă responsabilitate și răspundere • Consumarea și demonstrarea resurselor noastre financiare în conformitate cu principiile noastre fundamentale • Construirea de resurse pentru viitor • Păstrarea averii familiei pentru a beneficia mai multe generații în scopuri educaționale, călătorii și îngrijire medicală
2. Investire	<ul style="list-style-type: none"> • Învățarea prin experiență prin participare activă • Alinierea investițiilor noastre cu filosofia și scopul nostru • Păstrarea și creșterea averii familiei de-a lungul generațiilor • A avea capacitatea de a-ți asuma riscuri calculate
3. Câștig	<ul style="list-style-type: none"> • Independența financiară, care ne oferă libertate și alegeri • Productivitate remunerată • Fiecare generație creându-și propriul drum • Căutarea sensului și scopului în viața și munca proprie • Muncă asiduă și dedicație • Mentalitate antreprenorială • Autonomie și independență
4. Împărțire	<ul style="list-style-type: none"> • Considerație atentă privind împărțirea averii, cu limite și parametri • Dăruirea resurselor noastre (timp, intelect și bani) pentru a influența pozitiv viețile altora • Învățarea generației viitoare despre importanța filantropiei • Sprijinirea organizațiilor care se aliniază cu filozofiile noastre

⁴ https://mlaem.fs.ml.com/content/dam/ML/Articles/pdf/ML_PracticalIdeasEngageNextGen_BRO-08-21-0114_B_ADA.pdf.

Competențe financiare	Exemple de valori ale familiei: Noi prețuim...
	<ul style="list-style-type: none"> ● Concentrarea filantropiei noastre pe principalele noastre priorități de interes
5. Cheltuire	<ul style="list-style-type: none"> ● Crearea unui buget aliniat cu obiectivele personale ● Distingerea între nevoi și dorințe ● Cheltuieli gândite ● Cheltuirea pentru experiențe, mai degrabă decât pentru consum

Sursă: Merrill Center for Family Wealth

Pe scurt, alfabetizarea financiară și educația financiară depășesc simpla înțelegere a numerelor sau gestionarea banilor; este vorba despre asigurarea că acțiunile noastre financiare sunt în armonie cu valorile și aspirațiile pe termen lung ale familiei noastre. Prin conectarea celor cinci domenii esențiale: **economisire, investire, câștigare, împărțire și cheltuire cu credințele fundamentale ale familiei noastre**, putem lua decizii financiare mai deliberate și semnificative, care să susțină atât stabilitatea economică, cât și satisfacția personală. A acorda timp pentru a reflecta și discuta aceste valori nu doar că adâncește cunoștințele financiare, dar creează și un sens clar de scop pentru viitor. Când familiile se angajează să definească și să trăiască conform acestor principii, au oportunitatea de a stabili un legat de judecată financiară solidă și integritate morală, care să dureze pentru generații.



Reflectați & Discutați

Ce înseamnă alfabetizarea financiară pentru tine personal și de ce crezi că este esențială pentru tinerii adulți de azi?

De ce crezi că există o disparitate atât de mare în nivelurile de alfabetizare financiară între diferite țări? Cum ar putea sistemele economice și educaționale din aceste țări să influențeze alfabetizarea financiară?

În ce mod crezi că educația financiară poate influența bunăstarea personală și dezvoltarea comunității?

Alege una dintre cele cinci competențe financiare cheie. Cum crezi că această competență se aliniază cu valorile tale personale și cu obiectivele tale viitoare?

Crezi că independența financiară este posibilă pentru toată lumea? De ce sau de ce nu?

Exerciții de educație non-formală

1. Financial topic ice-breakers

1. Exerciții de încălzire pe teme financiare

Scrie 3 cuvinte cu care asociezi cuvântul „Averea” + Împărtășește în perechi.

Concluzie: Cuvintele pe care participanții le asociază cu „averea” vor determina cel mai probabil relația lor cu banii și este important să dezvoltăm o relație sănătoasă cu aceștia. În aceste sesiuni de instruire, vom încerca să identificăm cele mai comune trăsături ale unei finanțe sănătoase.

Scrie suma de bani pe care o consideri minimă pentru a trăi o viață confortabilă 1) pe lună și 2) pentru a te pensiona mâine + Împărtășește în pereche.

Concluzie: Numărul pe care l-ai scris este diferit față de aproape oricare altă persoană din sală, de aceea finanțele sunt un subiect foarte personal și nu există o abordare universală care să se potrivească tuturor.

2. Dezbateri despre Alfabetizarea Financiară – "Banii Vorbesc"

Tip: Dezbateri Interactivă

Obiectiv: Încurajarea gândirii critice despre alfabetizarea financiară și aplicarea acesteia în viața reală.

Durată: 45-60 de minute

Materiale: Declarații tipărite, cronometru, flipchart sau tablă albă

Instrucțiuni:

Pregătire: Scrie diferite declarații provocatoare despre alfabetizarea financiară pe bucăți separate de hârtie. Exemple:

- „Alfabetizarea financiară ar trebui să fie predată în școli de la o vârstă fragedă.”
- „A fi bogat nu înseamnă a fi alfabetizat financiar.”
- „Persoanele cu un nivel înalt de alfabetizare financiară vor face întotdeauna alegeri financiare bune.”

Dezbateri:

1. Împarte participanții în două grupuri: un grup susține declarația, iar celălalt o contestă.
2. Fiecare echipă are 5 minute pentru a-și pregăti argumentele.

3. Un vorbitor din fiecare echipă își prezintă argumentele (2 minute fiecare).
4. Echipa opusă poate apoi să conteste punctele aduse (2 minute).
5. Dezbateră continuă cu contraargumente și se încheie cu o declarație finală din partea fiecărei echipe.

Reflecție: Discută despre ce s-a învățat și cum influențează alfabetizarea financiară deciziile din viața reală. Facilitatorul poate rezuma principalele lecții despre educația financiară.

3. *Simularea Alfabetizării Financiare – "Harta Banilor"*

Tip: Învățare Experiențială

Obiectiv: Ajutarea participanților să înțeleagă competențele financiare esențiale (Economisire, Investiții, Câștiguri, Împărțire, Cheltuieli) prin scenarii din viața reală.

Durată: 60 de minute

Materiale: Carduri cu scenarii, fișă de lucru „Harta Banilor”, bani falși (opțional)

Instrucțiuni:

1. **Introducerea celor cinci competențe financiare esențiale:** Explică Economisirea, Investițiile, Câștigurile, Împărțirea și Cheltuielile.
2. **Activitatea cu scenarii:** Fiecare participant (sau grup mic) primește un card cu un scenariu. Exemple de scenarii:
 - Tocmai ai primit primul tău salariu. Cum împarți banii?
 - Trebuie să economisești pentru un obiectiv mare (de exemplu, o mașină, educație). Ce strategie folosești?
 - Vrei să investești, dar nu știi de unde să începi. Ce factori ar trebui să iei în considerare?
3. **Procesul decizional:** Participanții decid cum să își aloce banii și scriu acest lucru pe fișa lor de lucru „Harta Banilor”.
4. **Discuție:** După ce toate grupurile au prezentat, facilitatorul conduce o discuție despre procesul decizional financiar, compromisuri și impactul pe termen lung.

4.

Mituri

financiare

Obiectiv: Ajutarea participanților să identifice și să corecteze miturile financiare comune,

promovând gândirea critică despre gestionarea banilor.

Materiale necesare:

- Tablă (electronică sau fizică)
- Creioane/markere
- Acces la internet (opțional pentru cercetare)

Introducere:

Începe prin a explica faptul că mulți oameni cresc cu mituri financiare—idei despre bani care sună adevărate, dar care sunt adesea înșelătoare. Aceste mituri pot influența modul în care gestionăm finanțele, ducând la decizii care nu sunt benefice. Spune-le participanților că, în timpul acestei activități, vor explora mituri financiare comune și vor lucra împreună pentru a le „demola” cu informații reale.

Împărtășirea

miturilor:

Invită participanții să împărtășească mituri pe care le-au auzit sau concepții greșite pe care le cunosc de la oamenii din jurul lor. Acestea pot fi legate de gestionarea banilor, economisire, investiții, bugetare etc.

Folosește o tablă (fizică sau digitală) pentru a captura aceste mituri. Poți permite și participanților să le trimită online, dacă folosești o platformă electronică.

Exemple de mituri:

- „Ai nevoie de un card de credit pentru a-ți construi scorul de credit.”
- „Investițiile sunt doar pentru cei bogați.”
- „Bugetarea este doar pentru cei care au probleme cu banii.”

Categorisirea

miturilor:

Grupează miturile în 5-6 categorii principale (de exemplu, Economisire, Bugetare, Investiții, Datorii, Venituri etc.).

Organizează miturile pe tablă astfel încât participanții să poată vizualiza diferitele categorii.

Muncă

în

grupuri:

Împarte participanții în grupuri mai mici (3-5 persoane pe grup). Fiecare grup va alege o categorie asupra căreia să se concentreze.

Atribuie-le sarcina de a investiga și a demola miturile lor alese. Ar trebui să răspundă la întrebările:

- De ce cred oamenii aceste mituri?
- Care este argumentul corect pentru a le combate?
- Cum pot aceste concepții greșite să influențeze negativ deciziile financiare?

Încurajează grupurile să folosească internetul pentru cercetare, dacă este necesar, și să pregătească câteva puncte cheie pentru prezentare.

Prezentarea

grupurilor:

Fiecare grup își va prezenta categoria, explicând mitul, motivul pentru care oamenii îl cred și informațiile corecte care îl contrazic.

Lasă timp pentru ca ceilalți participanți să pună întrebări sau să împărtășească păreri după fiecare prezentare.

Concluzie:

Recapitulează 3-4 puncte cheie din activitate, subliniind importanța de a pune sub semnul întrebării credințele financiare comune și de a gândi critic despre bani. Împărtășește câteva resurse de încredere unde participanții pot căuta informații corecte.

2. Bazele bugetării

Obiective

...pentru a oferi cititorilor concepte de bază legate de buget și bugetare.

Rezultatele învățării:

- să înțeleagă ce este un buget și importanța obiectivelor financiare.
- să identifice diferențele majore între nevoi și dorințe.
- înțelegerea pașilor principali în crearea unui buget.

Ce este un buget?

Un buget este un plan financiar conceput pentru a ajuta indivizii să își gestioneze veniturile, economiile și cheltuielile. Acesta acționează ca un ghid, arătând de unde provin veniturile – cum ar fi un job part-time, o alocație sau o bursă – și cum sunt utilizate pentru a acoperi cheltuieli precum chiria, alimentele, transportul sau divertismentul. Prin crearea unui buget, se poate evita cheltuirea excesivă, se pot gestiona resursele într-un mod înțelept și se pot atinge obiective financiare specifice, cum ar fi economisirea pentru o achiziție importantă sau construirea unui fond de urgență⁵.

Prin urmare, un buget este creat având în vedere anumite obiective specifice.

Obiectivele financiare acționează ca o hartă, ghidând oamenii către ceea ce își doresc să realizeze cu banii lor și ajutându-i să își alinieze deciziile financiare cu prioritățile personale. Acestea sunt obiective clare, orientate spre viitor, care ghidează și formează alegerile financiare ale unei persoane cu scop și intenție. Aceste obiective nu sunt doar idei abstracte; sunt planuri măsurabile și realizabile (vezi mai jos, în conținutul materialului, cele 5 caracteristici cheie) care ajută o persoană să atingă stabilitatea, siguranța sau chiar aspirațiile pe termen lung, cum ar fi achiziționarea unei case sau pensionarea confortabilă. Multe persoane categorizează obiectivele financiare *în funcție de intervale de timp* pentru a le face mai ușor de gestionat și realizat. Această abordare asigură că o persoană se concentrează atât pe nevoile imediate, cât și pe aspirațiile viitoare, menținând o perspectivă clară asupra progresului său.

De obicei, obiectivele financiare pot fi împărțite în trei categorii principale (ilustrate și în Figura 2.1):

⁵ <https://www.maupl.edu/en/news-and-events/macaws-blog/budgeting-and-personal-financial-planning-skills>.

- **Obiective pe termen scurt:** acestea sunt obiective pe care dorești să le îndeplinești în următorii unu până la trei ani. Exemplele pot include economisirea pentru o vacanță, cumpărarea unui gadget, achiziționarea unei mașini sau constituirea unui fond de urgență. Obiectivele pe termen scurt sunt de obicei mai ușor de realizat, deoarece necesită sume mai mici de bani și un angajament mai scurt.

- **Obiective pe termen mediu:** aceste obiective sunt, de obicei, pentru o perioadă de trei până la cinci ani și pot include economisirea pentru cheltuieli mai mari, cum ar fi plata unui curs avansat, achitarea unei părți din datoria studentească sau economisirea unei sume de bani pentru a o folosi ca avans pentru o casă. Obiectivele pe termen mediu necesită adesea economii mai disciplinate și o strategie financiară mai clară decât cele pe termen scurt.

- **Obiective pe termen lung:** Obiectivele financiare pe termen lung se întind de obicei pe o perioadă mai mare de cinci ani și implică o planificare semnificativă și un angajament pe termen lung. Exemplele includ economisirea pentru pensionare, achiziționarea unei case sau construirea de avere prin investiții. Aceste obiective necesită adesea eforturi constante pe o perioadă îndelungată și pot implica diversificarea surselor de venit sau explorarea strategiilor de dobândă compusă.

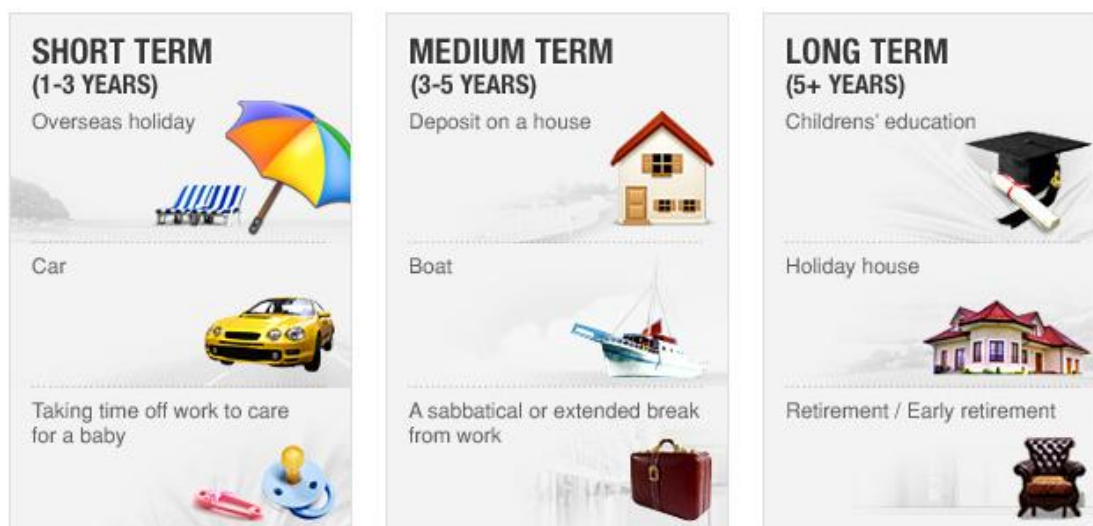


Figure no. 2.1 –Categorii Cheie ale Obiectivelor Financiare pe Perioade de Timp⁶

Sursă: Sunit Investment and Financial Planner

Stabilirea obiectivelor financiare ajută o persoană să își mențină controlul asupra banilor și să își alinieze obiceiurile de cheltuire și economisire cu propriile priorități. Aceste obiective

⁶ <https://faizalazrai.wordpress.com/matlamat/>.

motivează individul să ia decizii financiare mai bune și oferă un sentiment de realizare atunci când sunt atinse. În plus, obiectivele bine definite încurajează responsabilitatea, ajută la evitarea cheltuielilor inutile și mențin pe toată lumea pe drumul cel bun, chiar și în fața provocărilor neașteptate. Împărțirea obiectivelor în categorii pe termen scurt, mediu și lung contribuie la crearea unui plan financiar realist și sustenabil. Fie că este vorba despre economisirea pentru o vacanță de vis, achitarea împrumuturilor pentru studii sau construirea averii pentru viitor, fiecare obiectiv devine o treaptă spre independență și securitate financiară.

Obiectivele financiare realizabile au cinci caracteristici esențiale, cunoscute sub acronimul S.M.A.R.T.:

- **Specifice:** Obiectivul este clar definit, cu o țintă monetară precisă.
- **Măsurabile:** Există repere clare pentru a urmări progresul și a evalua cât de aproape ești de atingerea obiectivului.
- **Atingibile:** Obiectivul poate fi realizat prin pași concreți, fiind împărțit în sarcini mai mici și gestionabile.
- **Realiste:** Obiectivul este fezabil în funcție de resursele disponibile, cum ar fi timpul, banii, sprijinul și factorii externi. Fiecare obiectiv poate necesita resurse diferite pentru a avea succes.
- **Limitate în timp:** Obiectivul are un termen clar stabilit pentru finalizare.

Nevoi vs. Dorințe

Una dintre cele mai dificile, dar esențiale, părți ale creării unui buget este *distingerea între nevoi și dorințe*. Ambele ar trebui incluse într-un buget, însă este important să se acorde prioritate nevoilor înaintea dorințelor. *Dar unde se află limita dintre cele două?* Uneori, această diferențiere poate fi dificilă, iar lucrurile devin și mai complicate din cauza faptului că ceea ce o persoană percepe ca o nevoie ar putea fi considerat doar o dorință de către altcineva.

Înțelegerea diferenței dintre nevoi și dorințe este esențială pentru crearea și respectarea unui buget. *Nevoile* sunt elementele de bază necesare pentru sănătatea și bunăstarea ta generală, fie că este vorba de aspecte fizice, emoționale, mentale sau financiare. Dacă nu mai cheltuiești bani pentru a-ți acoperi nevoile, acest lucru ar putea duce la consecințe negative serioase. Acestea includ, de obicei (vezi Figura 3.2):

- **Alimente și apă:** hrană suficientă pentru a menține un corp și o minte sănătoase.

- **Adăpost și utilități:** locuință sigură și protejată, incluzând chiria sau rata la ipotecă, electricitate, apă și gaz.
- **Îmbrăcăminte:** haine adecvate pentru a te proteja de condițiile meteorologice și pentru a menține igiena personală.
- **Îngrijire medicală:** acces la servicii medicale, asigurare de sănătate și medicamente necesare.
- **Transport de bază:** un mijloc de transport fiabil pentru a ajunge la muncă, școală și alte destinații esențiale.

Dorințele, în contrast, sunt bunuri sau servicii care pot îmbunătăți calitatea vieții, dar nu sunt esențiale pentru supraviețuire sau bunăstare. Renunțarea la aceste cheltuieli poate fi inconfortabilă, dar nu ar afecta capacitatea de a trăi. Exemple includ (vezi și Figura 2.2):

- *Divertisment și Hobby-uri:* filme, concerte, evenimente sportive și activități de recreere.
- *Mese în oraș și Activități de agrement:* cine la restaurant, comenzi de mâncare sau participarea la activități recreative.
- *Vacanțe și Călătorii:* excursii, călătorii și deplasări pentru plăcere.
- *Articole de lux și Electronice:* îmbrăcăminte de marcă, gadgeturi și alte bunuri neesențiale.

Există, desigur, unele situații în care distincția nu este întotdeauna clară. De exemplu, hrana este în general considerată o necesitate, dar modul în care îți cheltuiești banii pe alimente poate face diferența. Cumpărarea proviziilor pentru o săptămână cu 150 de dolari este o nevoie, dar luarea mesei la un restaurant elegant pentru aceeași sumă ar fi clasificată ca un moft.

Unele situații sunt mai puțin clare. De exemplu, dacă prețuiești alimentele organice, cheltuirea unei sume suplimentare pe produse bio este o nevoie sau ai putea să te descurci cu opțiuni mai ieftine? În mod similar, dacă un abonament la sală este esențial pentru bunăstarea ta fizică sau mentală, s-ar putea să îl consideri o nevoie, chiar dacă alții nu l-ar vedea la fel.

Când linia dintre nevoi și dorințe devine neclară, decizia finală îți aparține, în funcție de valorile și prioritățile tale personale.

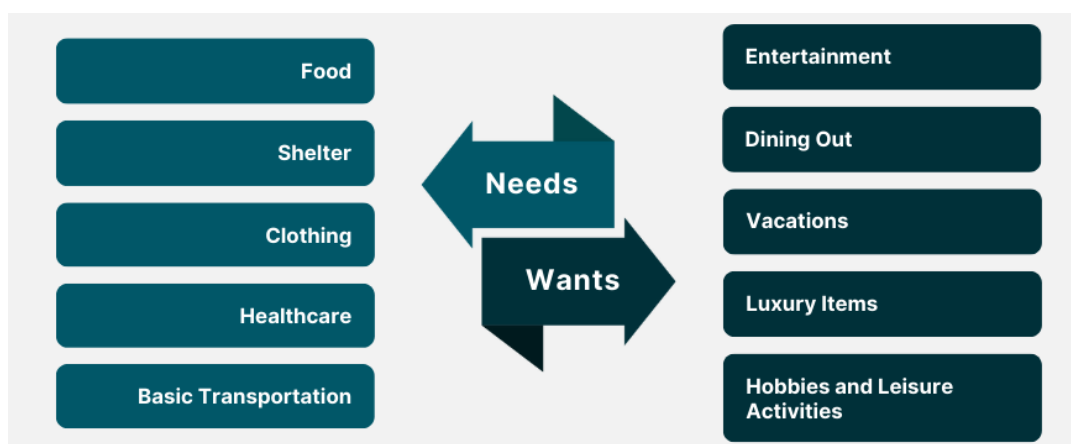


Figure no. 2.2 – Exemple de nevoi și dorințe

Sursă: <https://www.financestrategists.com/financial-advisor/personal-finance/budgeting-needs-vs-wants/>

Pași în stabilirea unui buget

Crearea unui buget este o abordare eficientă pentru gestionarea finanțelor și preluarea controlului asupra cheltuielilor. Aceasta permite urmărirea fondurilor, luarea de decizii informate și atingerea obiectivelor financiare. Deși poate părea copleșitor la început, bugetarea poate fi simplă, iar odată stabilit, sunt necesare doar ajustări minore atunci când circumstanțele se schimbă. Există mai multe instrumente, inclusiv aplicații de bugetare și foi de calcul, care pot ajuta în acest proces⁷. Diverse metode pot fi folosite pentru a crea un buget, iar următoarea este un exemplu:

Stabilește obiective financiare

Primul pas în crearea unui buget presupune stabilirea unor obiective financiare clare. Aceste obiective pot include scopuri pe termen scurt, mediu sau lung. Definirea acestor obiective ajută la asigurarea faptului că fiecare decizie financiară susține atingerea rezultatelor dorite.

Obiectivele trebuie să fie clar definite și listate ca articole separate în buget. Este recomandat să se aloce bani către aceste obiective în fiecare lună, la fel cum sunt desemnați banii pentru cheltuielile obișnuite. Deși obiectivele pot evolua în timp, identificarea acestora ajută la menținerea motivației de a respecta bugetul. De exemplu, având un obiectiv clar de economisire, cum ar fi pentru o vacanță, poate face mai ușor să reduci cheltuielile inutile.

⁷ <https://bettermoneyhabits.bankofamerica.com/en/saving-budgeting/creating-a-budget>.

1. Identifică sursele de venit

Identificarea surselor de venit și estimarea venitului total presupune calcularea câștigurilor totale disponibile după taxe și deduceri. Pentru cei care primesc salarii regulate (de obicei de la locurile lor de muncă zilnice), această sumă este de obicei simplă, deoarece reprezintă venitul net după toate deducțiile. Freelancerii și persoanele autoangajate trebuie să ia în considerare taxele și alte contribuții pentru a determina suma disponibilă pentru ei.

2. Listează cheltuielile și sumele necesare

O listă cuprinzătoare a tuturor cheltuielilor este esențială pentru a înțelege unde sunt cheltuiți banii. Costurile regulate și previzibile, cum ar fi chiria, plățile pentru împrumuturi, asigurările și utilitățile, sunt considerate cheltuieli fixe. Alte cheltuieli, precum alimentele, mesele la restaurant și divertismentul, sunt categorisite ca cheltuieli variabile. Asigurându-te că fiecare cheltuială este luată în considerare, vei obține o imagine completă a obligațiilor financiare lunare. Vezi Figura 2.3 pentru principalele categorii de cheltuieli care pot fi identificate într-un buget.





Figure no. 2.3 – Principalele categorii de cheltuieli

Source: <https://www.oldpoint.com/blog/categorize-your-spending-to-help-manage-your-budget>

Principalele categorii de cheltuieli se referă la:

- cheltuieli asociate cu achiziționarea de alimente și băuturi, fie la magazinul de produse alimentare, fie la restaurant.
- cheltuieli pentru îmbrăcăminte, articole personale, gadgeturi și alte bunuri care nu fac parte din cheltuielile uzuale de trai.
- cheltuieli pentru mesele la restaurant, de la cafeaua rapidă până la mesele la restaurante.
- cheltuieli pentru transport, indiferent dacă se folosește un vehicul personal sau transportul public.
- plăți lunare sau periodice legate de locuință, inclusiv chiria sau plățile pentru împrumuturi ipotecare și cheltuieli legate de locuință.
- cheltuieli pentru activități de agrement și hobby-uri, adesea pentru relaxare sau pentru a petrece timp personal.
- cheltuieli legate de sănătatea și bunăstarea personală, inclusiv îngrijire medicală, dentară și de vedere.
- cheltuieli pentru educație formală și învățare, fie la școală, fie prin dezvoltare personală.
- cheltuieli pentru vacanțe, deplasări de afaceri și călătorii de agrement.
- cheltuieli legate de achiziționarea de medicamente și tratamente pentru afecțiuni de sănătate.
- cheltuieli pentru electrocasnice și gadgeturi care contribuie la confortul și eficiența casei.

- cheltuieli legate de îngrijirea, educația și bunăstarea copiilor.
- plăți pentru diverse servicii personale care ajută la gestionarea cerințelor vieții.

3. Asigură-te că cheltuielile nu depășesc venitul

Un pas esențial în realizarea unui buget este asigurarea că cheltuielile totale nu depășesc venitul estimat. Când cheltuielile sunt mai mari decât venitul lunar, apar frecvent sentimente de stres și îngrijorare. Cu toate acestea, în ciuda provocărilor, există pași practici care pot ajuta la recâștigarea controlului. O abordare eficientă este evaluarea cheltuielilor pe categorii, recunoscând că unele costuri sunt mai flexibile decât altele. De obicei, cheltuielile variabile oferă cea mai mare flexibilitate, iar reducerea cheltuielilor inutile în domenii precum restaurantele sau divertismentul poate aduce bugetul în echilibru. În plus, utilizarea unor instrumente financiare, precum un Mastercard preplătit cu caracteristici de economisire integrate, poate fi o modalitate eficientă de a gestiona cheltuielile. Deși poate dura ceva timp, eforturile constante pot duce la o situație financiară mai ușor de gestionat. Practicile de bugetare reflectă, de asemenea, influențe economice și culturale regionale, care pot varia semnificativ între țări. De exemplu, persoanele din țări precum **Bulgaria, Lituania** și **România** pot aborda bugetarea într-un mod diferit datorită diferențelor în nivelurile medii ale veniturilor, costurile de trai, accesul la educația financiară sau diferitele nivele de alfabetizare financiară (menționate în [Capitolul 1](#)). Cu concentrare și disciplină, este posibil să aduci cheltuielile în concordanță cu venitul. În concluzie, există cinci pași importanți:



Step 1: Identifică sursa problemei.

Step 2: Ia control asupra bugetului.

Step 3: Elimină cheltuielile necesare.

Step 4: Caută oportunități pentru a-ți mări bugetul.

Step 5: Economisește oricând ai posibilitatea.

4. Decide asupra sumelor pentru economii și investiții

Alocarea unei părți din venituri pentru economii și investiții este esențială pentru stabilitatea și creșterea financiară. Fie că **economisești** pentru situații de urgență, obiective viitoare sau pensionare, punerea deoparte a unor sume de bani ajută la construirea unei rețele de siguranță financiară. În plus, **investițiile** unei părți din venituri pot contribui la creșterea averii de-a lungul timpului și la pregătirea pentru obiective financiare pe termen lung. Prioritizarea economiilor și investițiilor ar trebui considerată o parte a cheltuielilor esențiale, nu o opțiune de moment, pentru a asigura un viitor financiar sigur.

5. Revizuiște și ajustează după caz

Odată ce bugetul este stabilit, este important să-l revizuiști periodic și să faci ajustări atunci când este necesar. Schimbările în venituri, cheltuieli sau obiective financiare pot necesita modificări ale bugetului. Evaluarea regulată a bugetului asigură că acesta rămâne relevant și eficient în atingerea obiectivelor financiare.

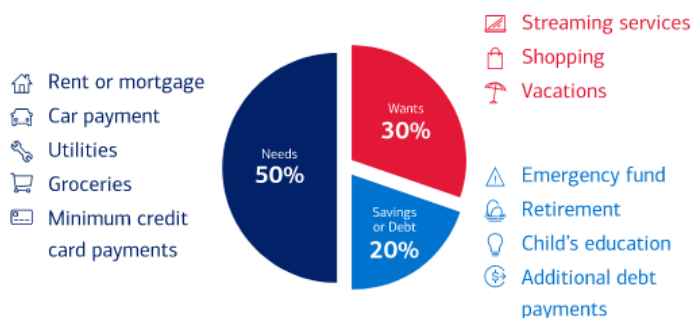
Alegerea unei metode de bugetare

Există diverse metode pentru implementarea unui plan de buget, iar cel mai important aspect este alegerea abordării care se potrivește cel mai bine circumstanțelor personale (Vezi [Better Money Habits](#)).

◆ Regula 50/30/20

Aceasta este metoda perfectă pentru începători și reprezintă un punct de pornire practic pentru bugetare. Aceasta presupune clasificarea cheltuielilor în necesități și dorințe. Necesitățile sunt esențiale, cum ar fi cheltuielile de

transport, în timp ce dorințele sunt non-esențiale, cum ar fi abonamentele. După ce aceste categorii sunt definite, bugetul împarte venitul net în trei părți: **50% pentru necesități**, **30% pentru dorințe** și **20% pentru economii** sau **plăți suplimentare ale datoriilor**. Procentele sunt ajustabile.



◆ **Bugetul pe baza plicurilor de economii**



Această metodă funcționează bine pentru cei care găsesc dificilă gestionarea cheltuielilor. Ea presupune alocarea de numerar în fiecare lună pentru diferite categorii de cheltuieli, prin umplerea plicurilor, fiecare plic fiind dedicat unei categorii specifice. Odată ce banii dintr-un plic sunt epuizați, nu mai sunt permise cheltuieli suplimentare pentru acea categorie. Pentru cei care preferă plățile digitale, acest sistem poate fi adaptat prin utilizarea unor conturi curente separate pentru fiecare categorie și efectuarea plăților prin card de debit.

◆ **Bugetul pe bază de alocare completă (Bugetul Zero-Based)**

Această metodă este ideală pentru persoanele cu venituri fixe care sunt confortabile cu ținerea unui registru detaliat al cheltuielilor. Implică alocarea fiecărui dolar din venituri pentru o destinație specifică, fie că este vorba de cheltuieli sau economii, astfel încât totalul cheltuielilor să fie egal cu venitul. Nu înseamnă să cheltui până când contul bancar ajunge la zero, ci mai degrabă să atribui un scop fiecărui ban.



◆ **Bugetul "Plătește-te pe tine întâi"**

Această metodă este ideală pentru persoanele care doresc să pună economiile pe primul loc și sunt sigure că își pot acoperi nevoile fundamentale. Implică economisirea unei sume prestabilite înainte de a plăti facturi sau de a face alte achiziții. După economii, fondurile sunt alocate pentru cheltuielile esențiale, cum ar fi chiria, alimentele, utilitățile și plata datoriilor. Oricare sumă rămasă poate fi utilizată pentru dorințele neesențiale.



Reflecția & Discuția

Cât de des crezi că este necesar să îți revizuești și să îți ajustezi bugetul? Poți să îți amintești un moment când ajustarea bugetului te-a ajutat să atingi un obiectiv financiar?

Gândește-te la o achiziție recentă pe care ai făcut-o. Cum ai categorisit-o—era o nevoie sau o dorință? Cum a afectat această decizie bugetul tău?

Care pas în crearea unui buget ți se pare cel mai provocator? Ce strategii poți folosi pentru a depăși acele provocări?

Ai încercat vreo metodă de bugetare menționată, cum ar fi 50/30/20 sau Bugetul Zero-Based? Care crezi că ți s-ar potrivi cel mai bine și de ce?

Cum abordezi economiile și investițiile în bugetul tău? Prioritizezi economiile și, dacă da, cum decizi cât să economisești?

Cât de des crezi că este necesar să îți revizuești și să îți ajustezi bugetul? Poți să îți amintești un moment când ajustarea bugetului te-a ajutat să atingi un obiectiv financiar?

Exerciții de educație non-formală

1. Provocări în bugetare - "Cum să iei decizii informate"

Situație: John și Mary, cu un venit lunar combinat de 3700 euro, doresc să atingă două obiective financiare semnificative. Plănuiesc să cumpere o casă în următoarele șase luni din cauza creșterii cheltuielilor cu chiria și au nevoie de 5000 euro ca avans. De asemenea, economisesc pentru o vacanță care costă 3000 euro și care este programată în 4 luni. Totuși, au apărut obstacole financiare neprevăzute:

- **Reparație auto:** vehiculul lor necesită reparații urgente care costă 600 euro înainte de vacanță.

Incomes	EUR
Monthly salary (John)	2500
Monthly income (Mary)	1200
Total Incomes	3700
Essential Expenses (needs)	EUR
Rent/mortgage installment	800
Home maintenance expenses	100
Personal loan repayments	150
Grocery expenses	30
Monthly subscriptions (cable TV, Telephony, Internet)	50
Utility bills	50
Financial service payments (bank fees, credit card interest)	150
Education expenses (school fees, children's activities for 2 kids)	200
Healthcare costs (gym subscriptions, regular medical services)	100
Pet expenses (food, veterinary care)	40
Car fuel	100
Taxes and fees	30
Total (needs)	1800
Desires	EUR
Dining out and meals in the city	50
Trips	0
IT equipment (smartphones, tablets, laptops)	400
Clothing and fashion accessories	100
Entertainment and hobbies	100
Total Desires	650
Savings / Investments	EUR
Emergency Fund (existent balance 100)	250
Vacation (existent balance 600)	400
Education (existent sold 1500)	100
Car Change/Purchase	0
Down payment for house (existent sold 2000)	500
Total Savings / Investments	1250
Balance	0

- **Necesitățile de muncă ale lui Mary:** Mary trebuie să investească 1000 euro într-un dispozitiv care să-i permită să lucreze mai multe ore de acasă.

Considerați bugetul din figura atașată.

Solicitări:

1. Reorganizați bugetul, dacă este necesar, pentru a asigura realizarea planurilor familiei.
2. Luați în considerare aplicarea pentru un împrumut, dar specificați tipul de împrumut folosit și pentru care provocare.

2. Reluare de Buget – „Planifică și Economisește Rapid”

Obiectiv: Învățarea participanților cum să aloce rapid și eficient un buget sub presiune.

Setup:

- Oferiți participanților un scenariu (de exemplu, o familie care câștigă 3000 de euro pe lună și are obiective financiare specifice).
- Enumerați cheltuielile și obiectivele de economisire.

Gameplay:

- Împărțiți participanții în echipe mici.
- Fiecare echipă are 10 minute pentru a crea un buget care să îndeplinească toate obiectivele (de exemplu, economisirea pentru o mașină, plata datoriilor).
- După 5 minute, introduceți scenariu-surpriză, cum ar fi:
 - „Mașina s-a stricat, iar reparațiile costă 600 de euro.”
 - „Ați primit un bonus de 300 de euro.”
- Echipele trebuie să își ajusteze bugetele în timp real pentru a face față schimbărilor.

Rezultate: Subliniază importanța flexibilității și prioritizării în procesul de bugetare.

3. Planificarea Financiară și Luarea Deciziilor

Obiective

... să ofere cititorilor informații de bază despre cum să își planifice viitorul financiar și să ia decizii financiare informate.

Rezultate ale învățării:

- înțelegerea a ceea ce reprezintă un plan financiar și importanța planificării financiare.
- înțelegerea principalelor beneficii ale planificării financiare.
- înțelegerea celor șapte tipuri de planificare financiară.

Ce este planificarea financiară?

Planificarea financiară joacă un rol crucial în asigurarea viitorului financiar al unei gospodării și în atingerea obiectivelor sale. Aceasta implică procesul de educare a persoanelor cu privire la semnificația planificării pentru securitatea financiară, nu doar pentru ei înșiși, ci și pentru toți membrii familiei (și punerea în practică a competențelor financiare cheie discutate anterior în manuscris). Un plan financiar cuprinzător servește ca un instrument care ghidează gospodăriile către atingerea obiectivelor lor, pregătindu-le pentru momente importante și protejându-le împotriva evenimentelor neprevăzute⁸.

Planificarea financiară a familiei este o abordare structurată care implică evaluarea, gestionarea și optimizarea resurselor financiare pentru a atinge obiective specifice pe termen scurt, mediu și lung, asigurând în același timp stabilitate și securitate. Aceasta ține cont de diversele nevoi financiare, aspirații și toleranță la risc ale fiecărui membru al familiei, făcând procesul mai complex decât planificarea financiară individuală.

Obiectivul principal al planificării financiare este de a dezvolta un plan complet care să abordeze nevoile financiare ale fiecărui membru al familiei, promovând stabilitatea și creșterea generală. Acest proces implică oferirea de sfaturi de specialitate și soluții personalizate pentru a ajuta familiile să își atingă obiectivele, în funcție de circumstanțele lor unice.

⁸ <https://www.etmoney.com/learn/personal-finance/financial-planning-definition-importance-and-benefits/>.

Planificarea financiară este un proces care implică evaluarea situației financiare actuale și crearea unui plan pentru atingerea obiectivelor viitoare. Acesta poate cuprinde o gamă largă de domenii financiare, inclusiv investiții, taxe, economii, planificarea pensiei, asigurări și gestionarea averii. Planificarea financiară depășește, de obicei, sfaturile de investiții și necesită o abordare detaliată a diferitelor aspecte ale vieții financiare ale unei persoane sau ale unei familii.

Un planificator financiar poate ajuta la construirea acestui plan cuprinzător, iar consilierii financiari oferă adesea atât servicii de planificare, cât și de gestionare a activelor. În timp ce gestionarea activelor se concentrează pe administrarea investițiilor, cum ar fi acțiunile, obligațiunile și fondurile mutuale, planificarea financiară abordează obiectivele și strategiile financiare mai largi.

Principalele beneficii ale planificării financiare

Un plan financiar oferă o abordare structurată pentru gestionarea veniturilor, cheltuielilor și obiectivelor financiare pe termen lung. Acesta ajută indivizii să înțeleagă clar situația lor financiară și oferă un drum pentru atingerea obiectivelor atât pe termen scurt, cât și pe termen lung. Mai jos sunt câteva dintre beneficiile principale ale unui plan financiar (vezi și Figura nr. 3.1):

◆ Claritate asupra veniturilor și cheltuielilor

Crearea unui plan financiar implică o analiză detaliată a surselor de venit și a obiceiurilor de cheltuire. Acest lucru ajută indivizii să obțină o înțelegere mai clară a situației lor financiare, permițându-le să gestioneze mai eficient banii. Prin evaluarea periodică a acestor aspecte, devine mai ușor să identifici zonele care necesită îmbunătățiri și să faci ajustările necesare.

◆ Îmbunătățirea controlului financiar personal

Planificarea financiară ajută indivizii să mențină o conștientizare constantă a stării lor financiare. Având o înțelegere clară a veniturilor, cheltuielilor și economiilor actuale, este mai ușor să identifici oportunități de creștere, să gestionezi fluxul de numerar eficient și să eviți surprizele financiare. Această conștientizare le permite indivizilor să ia



decizii informate cu privire la finanțele lor și să își urmărească obiectivele financiare cu încredere.

◆ Stabilirea obiectivelor financiare

Un plan financiar bine structurat stabilește obiective financiare clare și realizabile. Acestea pot varia de la obiective pe termen scurt, cum ar fi economisirea pentru un fond de urgență, până la obiective pe termen lung, cum ar fi achiziționarea unei locuințe sau planificarea pentru pensionare. Prin definirea unor ținte specifice, indivizii își pot alinia strategiile de cheltuieli și investiții cu aceste obiective, îmbunătățind astfel șansele de succes.

◆ Pași clari pentru atingerea obiectivelor

Odată ce obiectivele sunt definite, un plan financiar conturează acțiunile necesare pentru a le atinge. Acestea pot include crearea unui buget, prioritizarea rambursării datoriilor sau stabilirea unui plan de economisire. Prin împărțirea obiectivelor mari în pași mici și realizabili, indivizii pot urmări progresul mai eficient și pot rămâne motivați.



Figure no. 3.1 – Beneficiile planificării financiare

Source: <https://www.wallstreetmojo.com/financial-planning-dummies-guide/>

◆ Concentrarea pe prioritățile financiare imediate

Un plan financiar ajută la stabilirea priorităților financiare imediate, cum ar fi reducerea datoriilor și construirea unui fond de economii pentru urgențe. Aceste pași fundamentali contribuie la asigurarea stabilității financiare înainte de a trece la obiective mai complexe, reducând stresul financiar pe termen scurt și punând bazele succesului viitor.

◆ Probabilitatea crescută de a atinge repere financiare

Prin dezvoltarea și urmarea unui plan financiar, indivizii își cresc șansele de a atinge repere financiare semnificative. Planificarea și bugetarea constantă fac mai ușor economisirea pentru evenimente importante din viață, precum achiziționarea unei mașini, finanțarea educației

sau asigurarea unei pensionări confortabile. O strategie financiară clară ajută la transformarea obiectivelor în realitate.

◆ Monitorizarea continuă și ajustarea progresului financiar

Un plan financiar este un instrument dinamic care permite urmărirea continuă a progresului. Revizuirea regulată a obiectivelor și rezultatelor financiare asigură faptul că indivizii rămân pe drumul cel bun și fac ajustările necesare pe parcurs. Această evaluare continuă ajută la rafinarea strategiilor și menținerea impulsului pentru atingerea obiectivelor pe termen lung.

◆ Reducerea stresului financiar

Având un plan financiar bine pus la punct, stresul și îngrijorările legate de bani pot fi semnificativ reduse. Prin economisirea de fonduri pentru situații de urgență, planificarea pentru viitor și gestionarea datoriilor, indivizii pot avea un sentiment mai mare de siguranță în legătură cu situația lor financiară. Știind că există o strategie clară în vigoare ajută la reducerea preocupărilor și oferă liniște sufletească.

Un plan financiar nu doar că oferă claritate și structură finanțelor unui individ, dar crește și șansele de a atinge obiectivele financiare și de a reduce stresul financiar. Prin luarea unor decizii gândite și revizuirea constantă a progresului, indivizii își pot asuma controlul asupra viitorului lor financiar și pot asigura stabilitatea și succesul pe termen lung. Planificarea financiară ajută persoanele să își mențină o conștientizare constantă a sănătății lor financiare. De exemplu, tinerii adulți din **Bulgaria**, **Lituania** și **România** se confruntă adesea cu provocări unice în gestionarea finanțelor lor, din cauza condițiilor economice diferite, nivelurilor medii de venit și accesului limitat la educație financiară.

Tipuri diferite de planificare financiară

În cadrul taxonomiei planificării financiare, există o gamă largă de servicii concepute pentru a ajuta indivizii să își gestioneze finanțele într-un mod eficient. Aceste servicii sunt adesea interconectate, creând un plan cuprinzător care abordează atât nevoile financiare curente, cât și obiectivele viitoare. Mai jos sunt prezentate opt servicii comune incluse în planificarea financiară.



Figure no. 3.2 – Tipuri de planificări financiare

Sursă: <https://www.paisabazaar.com/mutual-funds/financial-planning/>

1. Planificarea fiscală

O planificare fiscală eficientă este esențială pentru persoanele care doresc să își crească averea. Obiectivul este identificarea strategiilor care minimizează obligațiile fiscale, ceea ce poate duce la economii semnificative. Prin **investiții strategice** în instrumente de economisire a taxelor (precum obligațiuni guvernamentale), se poate reduce venitul impozabil. Acest lucru aduce două beneficii: generarea de randamente din investiții și utilizarea deducerilor și scutirilor fiscale. Planificarea fiscală necesită o gestionare atentă a taxelor pe parcursul întregului an, nu doar la sfârșitul perioadei fiscale, pentru a maximiza beneficiile deducerilor, creditelor și altor oportunități de reducere a taxelor datorate. Înțelegerea legislației fiscale și a reglementărilor este crucială pentru identificarea celor mai eficiente strategii de minimizare a taxelor. De asemenea, consultanții financiari pot ajuta la pregătirea și depunerea declarațiilor fiscale, simplificând procesul și asigurându-se că toate oportunitățile de economisire a taxelor sunt explorate. Este important să se țină cont de diferențele între sistemele fiscale ale țărilor. De exemplu, **Bulgaria** și **România** aplică o rată de impozitare pe venitul personal de 10%, una dintre cele mai mici din Europa. **Lituania**, deși utilizează și ea un sistem de taxare uniform, are o rată ușor mai mare (32%).



2. Planificarea imobiliară

Investițiile imobiliare sunt adesea considerate o modalitate stabilă și profitabilă de a crește averea. Prin analiza detaliată a tendințelor pieței și a potențialului de creștere în locații specifice, persoanele pot lua decizii informate atunci când investesc în proprietăți, ca active reale. De-a lungul timpului, imobiliarele tind să aprecieze (să crească în valoare), oferind posibilitatea unor câștiguri semnificative, mai ales pe perioade de lungă durată, cum ar fi zece ani. Spre deosebire de opțiunile de investiții mai volatile, precum acțiunile, imobiliarele sunt mai puțin influențate de fluctuațiile pieței pe termen scurt, ceea ce le face o alegere atractivă pentru cei care caută stabilitate în portofoliul lor de investiții.

Un avantaj important al investițiilor imobiliare este capacitatea de a genera venituri pasive prin proprietăți de închiriat, oferind un flux constant de numerar, pe lângă câștigurile de capital atunci când proprietatea este vândută. Acest lucru poate fi deosebit de avantajos pentru investitorii care doresc să diversifice sursele lor de venit și să își asigure viitorul financiar.

Mai mult, astfel de investiții pot deveni un activ esențial pentru generațiile viitoare. În cazul unui deces al investitorului, proprietățile pot servi ca o plasă de siguranță pentru moștenitori, oferindu-le active valoroase care pot fi transmise sau lichidate. Imobiliarele pot fi un activ de moștenire, asigurându-se că membrii familiei sunt susținuți financiar chiar și în perioadele de incertitudine economică. Având un plan imobiliar bine structurat care include transferul de proprietăți, indivizii pot asigura bunăstarea financiară a moștenitorilor lor și pot preveni posibile dispute privind distribuirea activelor.

3. Planificarea

asigurărilor

Planificarea asigurărilor este o componentă esențială a securității financiare, ajutând indivizii să se protejeze împotriva riscurilor neprevăzute care, altfel, ar putea duce la o povară financiară semnificativă. Asigurările de viață și de sănătate sunt adesea considerate cele mai importante tipuri de acoperire, oferind protecție împotriva cheltuielilor medicale neprevăzute sau pierderii veniturilor. Pe lângă acestea, alte forme de asigurare, cum ar fi asigurarea auto și cea de locuință, sunt de asemenea valoroase, deoarece oferă sprijin financiar în cazul accidentelor, daunelor materiale sau furturilor (pentru detalii, vezi Capitolul 7).

Scopul planificării asigurărilor este de a se asigura că persoanele sunt protejate financiar în caz de urgențe. Prin alegerea celor mai potrivite polițe, o persoană poate reduce povara financiară

a acestor situații, protejându-se pe sine și familia de pierderi semnificative. O planificare eficientă a asigurărilor presupune evaluarea diferitelor riscuri pe care o persoană le-ar putea întâmpina în viață și determinarea tipurilor și sumelor adecvate de acoperire necesare.

În procesul de selecție a polițelor de asigurare, este important să se ia în considerare nu doar nevoile imediate, ci și obiectivele pe termen lung. Acest proces poate implica evaluarea unor factori precum riscurile de sănătate, valoarea activelor și cheltuielile potențiale viitoare. Asigurarea de viață, de exemplu, este esențială pentru asigurarea unui viitor financiar stabil pentru persoanele aflate în întreținere, în timp ce asigurarea de sănătate garantează că cheltuielile medicale vor fi acoperite. Asigurarea de invaliditate protejează veniturile în caz de accident sau boală care împiedică o persoană să lucreze, iar asigurarea de proprietate protejează împotriva pierderilor legate de daunele aduse locuinței sau vehiculului.

4. Investment planning

Planificarea

investițiilor

Planificarea investițiilor permite indivizilor să își aloce fondurile într-un mod eficient pentru a atinge obiectivele financiare. Deși planificarea financiară nu presupune întotdeauna gestionarea directă a activelor, ea include de obicei strategii pentru construirea unui portofoliu de investiții. Acesta presupune determinarea sumei care ar trebui investită și selectarea tipurilor corecte de investiții pentru a îndeplini obiective financiare specifice (pentru detalii, vezi Capitolul 6).

Crearea unui plan de investiții începe cu *evaluarea toleranței la risc a unei persoane*, a obiectivelor de investiție și *a rentabilității așteptate*. Persoanele au nivele de confort diferite în privința riscului (unii pot prefera investiții cu risc scăzut și stabilitate, în timp ce alții pot opta pentru oportunități mai riscante în schimbul unor posibile câștiguri mai mari). Este esențial să se evalueze dacă situația financiară a persoanei poate susține alegerile de investiții preferate.

Pentru a minimiza riscul, este important să se diversifice investițiile pe diferite clase de active și sectoare. Un portofoliu diversificat poate ajuta la protejarea împotriva pierderilor în cazul în care una dintre investiții performează mai slab. Prin răspândirea investițiilor pe diverse opțiuni, riscul asociat cu volatilitatea pieței poate fi redus.

5. Planificarea educațională și filantropică

Atunci când se planifică finanțarea educației, este important să se ia în considerare cum să se ajute persoanele dependente, cum ar fi copiii, să își plătească educația (în special în învățământul superior). Având în vedere



creșterea costurilor legate de universități, planificarea din timp poate ajuta la asigurarea resurselor necesare pentru a sprijini cheltuielile educaționale. Planificarea financiară în acest domeniu presupune identificarea celor mai bune metode de economisire și investiție pentru costurile viitoare de școlarizare, precum și explorarea opțiunilor de burse, subvenții sau alte forme de asistență financiară. Crearea unei strategii financiare poate ajuta la asigurarea faptului că copiii primesc educația și sprijinul necesar pentru a avea succes în viața adultă. Prin acțiuni întreprinse acum, părinții pot oferi o bază sigură de resurse financiare care va beneficia copiii lor pe termen lung.

Planificarea filantropică este o componentă esențială a strategiilor financiare pentru cei care doresc să contribuie la cauze sau persoane aflate în nevoie. O planificare financiară eficientă poate asigura faptul că donațiile caritabile sunt realizate într-un mod eficient, maximizând impactul contribuțiilor și obținând, de asemenea, beneficiile fiscale care pot fi disponibile. Prin planificarea atentă a donațiilor caritabile, este posibil să sprijini cauze semnificative fără a te confrunța cu consecințe financiare neprevăzute.



6. Planificarea fluxului de numerar

Fluxul de numerar se referă la mișcarea banilor în și din finanțele unui individ. Planificarea fluxului de numerar este procesul de evaluare a modelelor actuale și viitoare de cheltuieli și crearea de strategii pentru a asigura îndeplinirea obiectivelor financiare. Prin gestionarea fluxului de numerar, indivizii pot garanta economii suficiente pentru urgențe, făcând din aceasta un prim pas crucial în orice plan financiar. De asemenea, oferă claritate asupra sumei de venituri disponibile pentru investiții și alte oportunități financiare după ce cheltuielile esențiale au fost acoperite.

Crearea unui plan financiar eficient începe cu dezvoltarea unui buget detaliat și a unei prognoze financiare. Acestea ajută indivizii să înțeleagă valoarea netă, veniturile, cheltuielile și datoriile, ceea ce la rândul său contribuie la luarea unor decizii financiare mai informate.



Planificarea eficientă asigură că obligațiile financiare sunt îndeplinite la timp, oferind totodată baza pentru atingerea obiectivelor financiare pe termen lung.

Permite identificarea timpurie a eventualelor probleme, oferind oportunitatea de a lua măsuri corective înainte ca acestea să devină probleme majore.



7. Planificarea pensionării

Planificarea pensionării este un obiectiv important pentru mulți indivizi (indiferent de vârstă), cu scopul de a asigura independența financiară în anii ulteriori. Un plan de pensionare bine gândit garantează că, în decursul timpului, se vor acumula suficiente resurse pentru a menține un stil de viață confortabil fără a depinde de venitul activ. Pentru o planificare eficientă a pensionării, este esențial să se evalueze obiectivele specifice ale individului sau cuplului, inclusiv momentul în care aceștia speră să se pensioneze și ce stil de viață își doresc. Aceasta ajută la conturarea unei strategii care să se alinieze cu situația financiară a acestora și să garanteze că fondurile necesare vor fi disponibile atunci când venitul lor scade în perioada pensionării.



Planificarea pensionării este un proces cuprinzător care integrează Sistemul de Pensii pe Trei Piloni (pentru detalii, vezi Capitolul 7), asigurând o abordare echilibrată pentru stabilitatea financiară pe termen lung. Fiecare pilon îndeplinește un scop distinct. Primul pilon reprezintă un sistem public de pensii impus de stat, care oferă o rețea de siguranță de bază pentru a asigura un standard minim de trai în pensionare, finanțat din taxe sau contribuții de securitate socială. Al doilea pilon constă în planuri de pensii sponsorizate de angajator, cum ar fi 401(k) sau EPF, care completează primul pilon oferind economii suplimentare pentru pensionare, adesea cu contribuții din partea angajatorului. În final, al treilea pilon include economii personale voluntare și planuri de pensii private, oferind indivizilor flexibilitatea de a investi și economisi în funcție de propriile obiective și preferințe, sporind astfel venitul de pensionare. Împreună, acești trei piloni oferă o strategie echilibrată și cuprinzătoare pentru asigurarea stabilității financiare în pensionare.

Pași în procesul de planificare financiară

Există mai mulți pași care ghidază indivizii sau afacerea prin procesul de planificare financiară, asigurându-se că strategiile lor sunt aliniate cu obiectivele financiare. Iată pașii cheie care sunt de obicei implicați⁹:

a) **Evaluarea circumstanțelor financiare:** O înțelegere completă a circumstanțelor financiare personale este esențială înainte de a crea un plan financiar. Acest lucru include revizuirea atât a factorilor financiari, cât și a celor personali care pot afecta succesul planului.

b) **Stabilirea obiectivelor financiare:** Pasul următor este definirea clară a obiectivelor financiare, fie că este vorba de economisirea pentru o casă, pensionare, educație sau alte scopuri personale. Stabilirea unor obiective clare este esențială pentru a asigura că planul este concentrat și realist.

c) **Dezvoltarea strategiilor:** După stabilirea obiectivelor clare, următorul pas implică crearea strategiilor pentru atingerea acestora. Este important să înțelegem practicile financiare curente și ce acțiuni sunt întreprinse pentru a atinge obiectivele financiare.

d) **Implementarea planului:** După ce strategiile sunt stabilite, următoarea fază este implementarea acestora. Acesta presupune luarea măsurilor necesare pentru a duce la îndeplinire deciziile alese.

e) **Monitorizarea continuă și ajustările:** După implementarea planului, monitorizarea continuă este esențială. Urmărirea progresului și revizuirea planului periodic permite realizarea ajustărilor, în cazul în care unele strategii nu funcționează conform așteptărilor sau dacă pot fi făcute îmbunătățiri.



Reflecți & Discuți

Care sunt obiectivele tale financiare pe termen scurt și lung? Cum plănuiești să le atingi?

⁹ <https://www.planningretirements.com/blog/7-steps-financial-planning-process/>

Cât de des îți revizuiesti situația financiară personală? Care sunt câteva dintre beneficiile monitorizării regulate a finanțelor tale?

Cum crezi că un plan financiar structurat poate reduce stresul sau anxietatea legate de bani?

Ai experimentat vreodată o situație în care cheltuielile tale au ieșit de sub control? Cum ar fi putut un plan financiar să te ajute în acea situație?

Care tip de planificare financiară (de exemplu, planificare fiscală, planificare a investițiilor, planificare pentru pensionare) crezi că este cel mai important în etapa actuală din viața ta? De ce?

Imaginează-ți că planifici un eveniment major din viața ta (de exemplu, cumpărarea unei case, începerea unei afaceri sau finanțarea educației). Cum ai aborda planificarea financiară pentru acest obiectiv?

Cum ai implica familia în procesul de planificare financiară? Ce provocări ar putea apărea atunci când planifici finanțele pentru o gospodărie?

Activități financiare de învățare practică

1. Atelier de storytelling – „Drumul către libertatea financiară”

Situație: Participanții sunt împărțiți în grupuri și li se cere să creeze o poveste despre un personaj fictiv, pe nume Alex, care se confruntă cu următoarele provocări financiare:

- Alex câștigă **1800 de euro** pe lună, dar a acumulat o datorie de **5000 de euro** pe cardul de credit.
- Alex visează să înceapă o mică afacere în 12 luni, având nevoie de **7000 de euro** ca capital inițial.
- Alex a moștenit recent **2000 de euro**, care pot fi folosiți pentru a plăti datoria sau economisi pentru afacere.

Cereri:

- Scrie povestea lui Alex, detaliind cum își gestionează venitul, datoria și obiectivele viitoare.
- Decide cum ar trebui să folosească Alex banii moșteniți și explică de ce.
- Prezentați planul financiar și povestea lui Alex grupului, discutând posibilele rezultate.

2. Harta Obiectivelor Viitoare”

Situație:

Un grup de tineri adulți își consideră viitorul financiar, dar nu au un plan clar. Ei au mai multe obiective financiare, cum ar fi cumpărarea unei mașini, economisirea pentru educație suplimentară sau călătoria în jurul lumii, dar au dificultăți în a prioritiza și a crea un buget eficient.

Sarcina:

Fiecare participant trebuie să aleagă două obiective importante pentru ei (de exemplu, educație, călătorii, cumpărarea unei mașini) și să creeze o hartă a pașilor pentru a le atinge. Ei trebuie să:

- Aloce o parte din venitul lunar pentru aceste obiective.

- Identifice posibile obstacole și cum le vor depăși (de exemplu, cheltuieli neprevăzute sau venituri reduse).
- Stabilească termene realiste pentru fiecare obiectiv.

La final, fiecare participant va prezenta planul lor pentru obiectivele viitoare grupului și va explica de ce au ales aceste obiective și cum intenționează să le atingă.

3.Labirintul Investițiilor

Situație:

Un grup de tineri adulți este pregătit să înceapă să investească, dar nu au cunoștințe anterioare despre opțiunile de investiții disponibile. Ei sunt dornici să își crească banii, dar nu sunt siguri de unde să înceapă.

Sarcina:

Participanții vor fi împărțiți în grupuri mici, fiecare având un „buget” de 3.000 de euro. Ei trebuie să investească acești bani într-una dintre următoarele trei opțiuni: acțiuni, obligațiuni sau fonduri mutuale. Provocarea constă în a decide cât să aloce pentru fiecare tip de investiție, în funcție de riscurile și randamentele așteptate. Ei trebuie să:

- Cerceteze și să selecteze cel puțin o opțiune de investiție care se potrivește cu toleranța lor la risc.
- Explice raționamentul din spatele alegerilor făcute.
- Prezentarea deciziilor și a rezultatelor așteptate pentru restul grupului, având în vedere riscurile și recompensele potențiale ale strategiei lor.

4. Mișcări inteligente ale banilor: Înțelegerea haosului & FOMO

Obiective:

- Să ajutăm tinerii să dobândească cunoștințe și abilități care le vor permite să ia decizii financiare informate.
- Să înțeleagă cum impulsurile emoționale, precum FOMO (teama de a rata ceva), pot influența obiceiurile lor de cheltuieli.

- Să îi ajutăm să recunoască valoarea economisirii și importanța luării de decizii intenționate.

5. Activitatea Icebreaker: “Instantanee financiare”

Scop: Să ajute adolescenții să reflecteze asupra relației lor actuale cu banii.

Cum:

Rugați participanții să răspundă pe scurt la câteva întrebări (aceste răspunsuri pot fi adăugate într-o platformă interactivă, cum ar fi un Jamboard, unde toți participanții pot adăuga răspunsurile lor la fiecare întrebare):

- “Cum îți cheltui de obicei banii?”
- “Care a fost cea mai recentă achiziție pe care ai făcut-o?”
- “Simți presiune să îți pasul financiar cu alții?”
- “Cum ai descrie FOMO? Ai simțit vreodată această senzație? De ce? A avut acest sentiment vreo semnificație în viața ta de zi cu zi acum?”

După câteva minute, invitați câțiva voluntari să împărtășească răspunsurile lor. Această activitate va pune bazele discuției despre cheltuielile impulsive, FOMO și cheltuielile emoționale.

6. Introducere în Haosul Financiar și FOMO

Scop: Subliniați cum sfaturile financiare copleșitoare și presiunile externe pot confuza adolescenții și pot duce la luarea unor decizii financiare greșite.

Cum:

Creați o mică scenetă sau situație în care cineva se simte copleșit de “sfaturile” și reclamele pe care le vede online. Puteți folosi o scenetă de genul:

- **“Prietenul 1:** ‘Încă o zi, încă o petrecere! Hai să mergem pe la cafenele, să comandăm mâncare, să stăm la Tom acasă, să luăm ceva de mâncare pe drum, să ne relaxăm.’”
- **“Prietenul 2:** ‘Ar trebui să merg? Sună tare fain, dar e cam scump.. Merg în oraș în fiecare weekend!’”
- **Narator:** “Dar chiar e necesar? Sau poate că este doar FOMO la mijloc?”

Folosiți acest exemplu pentru a trece la o discuție despre cum expunerea constantă la noi tendințe și frica de a nu rata ceva pot influența deciziile financiare. Apoi, explicați pe scurt conceptul de haos informațional: prea multe voci care fac dificilă concentrarea asupra obiectivelor financiare personale. Lăsați participanții să exploreze tema FOMO, cele mai frecvente situații în care simt acest lucru și cât cheltuiesc pe “dorințele” lor.

7. Activitate: “Creează-ți propriul buget”

Scop: Să învețe importanța bugetării și a luării deciziilor financiare intenționate. Să arate participanților că pot controla banii prin înțelegerea a ceea ce fac cu aceștia.

Cum:

Furnizați un simplu formular de buget (template cu categorii precum „Nevoi”, „Dorințe” și „Economii”). Ghidați participanții să completeze formularul și să discute exemplele.

- Mai întâi, cereți-le să se gândească la cheltuielile lor lunare (ex: bani de prânz, transport, distracție, ieșiri, etc.).
- Apoi, ghidați-i să listeze „Dorințele” (ex: haine noi, gadgeturi, petreceri, etc.) și „Nevoile” (ex: mâncare, factură telefonică, economii, etc.).

Lăsați-le 10-15 minute pentru a completa formularul individual. După aceea, cereți-le să își împărtășească bugetele în perechi sau grupuri mici și să discute dacă găsesc loc pentru economii sau dacă trebuie să regândească cheltuielile impulsive.

8. Activity: “What’s Your Spending Trigger?”

Goal: Discuss emotional triggers that can lead to impulsive buying, like boredom, stress, or FOMO.

How: Present different scenarios and ask teens to reflect on whether they would spend money in that situation:

- "You just saw an ad for a limited-time sneaker sale, but you know your friend has those sneakers."
- "You've been saving for a new phone, but a friend just got the latest model and is posting about it."

○“Your 18th birthday is coming up and you are up for a huge party, just like your classmate Tom had - rent a big place with a pool, DJ and food catering.”

After each scenario, ask them to pause and consider if it was an emotional reaction (FOMO, peer pressure, past example, expectations) or a well-thought-out decision. Then, show how understanding these triggers can help in making more mindful decisions.

9. Activitate: “Care este declanșatorul tău de cheltuieli?”

Scop: Discutarea declanșatoarelor emoționale care pot duce la cumpărături impulsive, cum ar fi plictiseala, stresul sau FOMO.

Cum:

Prezentati diferite scenarii și cereți-le adolescenților să reflecteze asupra a ceea ce ar face în acea situație:

- „Tocmai ai văzut o reclamă pentru o promoție limitată la adidași, dar știi că prietenul tău are acești adidași.”
- „Ai economisit pentru un telefon nou, dar un prieten tocmai și-a luat cel mai nou model și îl postează pe rețelele sociale.”
- „Urmează să împlinești 18 ani și vrei o petrecere mare, la fel ca Tom, colegul tău - să închiriezi un loc mare cu piscină, DJ și catering.”

După fiecare scenariu, cereți-le să oprească și să analizeze dacă a fost o reacție emoțională (FOMO, presiune de grup, un exemplu din trecut, așteptări) sau o decizie bine gândită. Apoi, arătați-le cum înțelegerea acestor declanșatoare poate ajuta la luarea unor decizii mai conștiente.

10. Activitate Bonus: “Obiective financiare inteligente”

Scop: Încheiați sesiunea cu un plan de acțiune pozitiv pentru deciziile financiare viitoare.

Cum: Cereți fiecărui participant să scrie un obiectiv financiar inteligent pentru următoarea lună.

Acesta ar putea fi:

- Economisirea unei sume fixe.
- Evitarea unei achiziții impulsive.
- Învățarea despre o nouă opțiune de investiție.

Încurajați-i să își împărtășească obiectivele cu un partener și să verifice progresul după o săptămână sau două pentru a discuta despre evoluția acestora.

4. Economisire & Investiții

Obiective

... to show readers the importance of saving and the basics of investing for future financial stability.

....să arate cititorilor importanța procesului de economisire și bazele investițiilor pentru stabilitate financiară

Rezultate ale învățării:

- să înțeleagă diferențele între a economisi și a investi.
- să recunoască principalele caracteristici ale procesului de economisire și a celui de a investi
- echilibrarea economisirii și investițiilor, având în vedere statistici actualizate

Care sunt diferențele dintre economisire și investiție??

Înțelegerea diferenței dintre economisire și investiție este esențială pentru a atinge stabilitatea financiară și pentru a asigura un viitor mai bun atât pe plan personal, cât și pentru comunitatea din care faci parte. Deși acești termeni sunt uneori confundați, ei reprezintă două abordări distincte în gestionarea banilor, fiecare având un rol unic în finanțele personale (vezi și Figura nr. 4.1).

Economisirea se concentrează de obicei pe construirea unui fond financiar pentru nevoile pe termen scurt și pentru situațiile de urgență, oferind stabilitate și siguranță. Pe de altă parte, **investițiile** sunt orientate spre obținerea unor randamente mai mari pe termen lung, dar vin cu riscuri asociate. Ambele strategii au avantaje și provocări, ceea ce face esențială găsirea unui echilibru care să se potrivească cu obiectivele financiare și circumstanțele specifice.



Figure no. 4.1 – Principalele diferențe dintre economii și investiții

Sursă: Alice Morgan (Investopedia)

O combinație atentă între economisire și investiții poate oferi o fundație solidă pentru construirea de avere, gestionarea situațiilor financiare neprevăzute și atingerea obiectivelor pe termen lung. Înțelegerea acestor concepte și modul în care funcționează împreună le permite oamenilor să ia decizii informate și să creeze un drum către succesul financiar.

Particularitățile economisirii¹⁰

Economisirea banilor implică *punerea deoparte* sau *păstrarea unei părți din venit într-un loc sigur*, cum ar fi un **cont de economii** sau un **certificat de depozit** (CD), unde aceștia pot crește (sau nu) în timp prin dobândă. Practic, acest lucru înseamnă că amâni consumul actual în favoarea unui consum viitor de bunuri și servicii. Motive comune pentru care oamenii economisesc includ achiziționarea unui nou gadget, planificarea unei vacanțe sau construirea unui fond de urgență pentru costuri neprevăzute, cum ar fi facturi medicale sau reparații auto. Economiiile sunt de obicei cu risc scăzut, oferind o modalitate sigură de a atinge obiective pe termen scurt, deși câștigurile din dobândă sunt modeste.

De exemplu, economisirea a 1.000 de lei pentru un laptop pe parcursul a zece luni poate fi realizată prin economisirea a 100 de lei în fiecare lună, evitând astfel necesitatea de a apela la împrumuturi sau carduri de credit. Transferurile automate sunt un alt instrument eficient pentru economisire constantă, eliminând necesitatea de a-ți aminti să faci depuneri manuale.

Pentru a cultiva obiceiul de economisire, este esențial să monitorizezi cheltuielile discreționale pentru a te asigura că există fonduri disponibile pentru a economisi regulat. Serviciile precum transferurile pre-autorizate pot simplifica procesul, făcând mai ușor să îți construiești un fond financiar. Odată ce economisirea devine constantă, următorul pas ar putea fi să decizi dacă să păstrezi banii într-un cont de economii sau să explorezi oportunități de investiții pentru a-i face să crească.

Economisirea banilor oferă mai multe avantaje (vezi Figura nr. 4.2), făcând-o o componentă esențială a planificării financiare. Aceasta oferă o plasă de siguranță fiabilă pentru cheltuieli neprevăzute, asigură lichiditate pentru obiective sau achiziții pe termen scurt și este protejată împotriva pierderilor de pe piață. Conturile de economii, în special cele asigurate de

¹⁰ <https://www.investopedia.com/articles/investing/022516/saving-vs-investing-understanding-key-differences.asp>.

organizații precum Fondul de Garantare a Depozitelor Bancare (FGDB), garantează fondurile până la o limită specificată (în România aceasta este 100.000 euro per persoană per bancă), oferind liniște sufletească. În plus, acestea permit accesul ușor la fonduri, fiind ideale pentru rezervele de urgență.

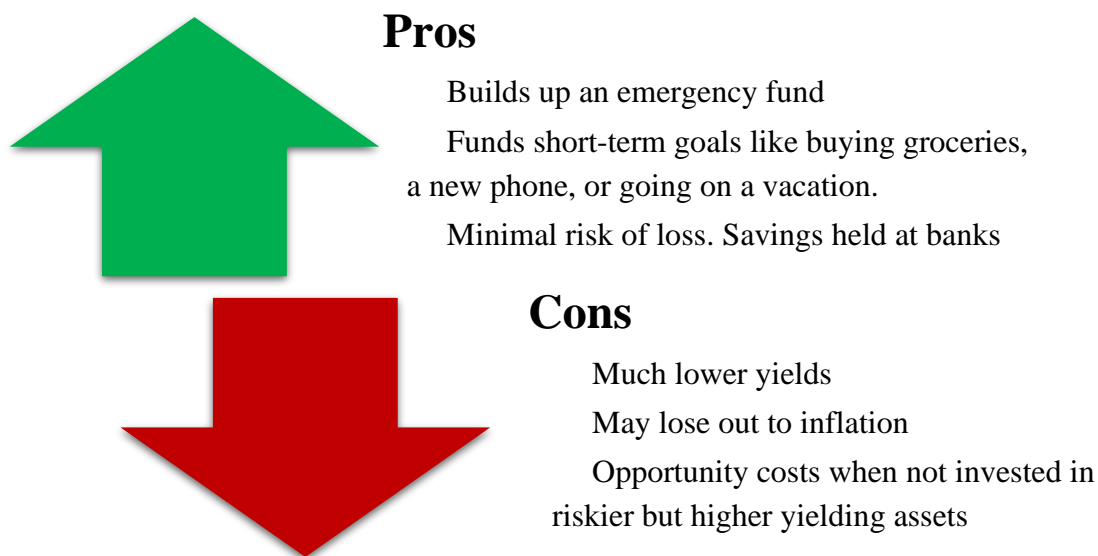


Figure no. 4.2 – Argumente pro și contra economisirii

Totuși, economiile au și limitările lor. Rata dobânzii la conturile de economii este de obicei mică, adesea incapabilă să depășească inflația, ceea ce poate diminua puterea de cumpărare în timp. Comparativ cu alte opțiuni de investiții, cum ar fi acțiunile sau conturile de pensii, conturile de economii au un potențial limitat de creștere, făcându-le mai puțin eficiente pentru construirea unei averi pe termen lung. Pentru o strategie financiară bine echilibrată, este important să complimentezi economiile cu investiții care oferă randamente mai mari, pentru a echilibra securitatea și creșterea.

Particularitățile investițiilor

Investițiile oferă o modalitate de a crește banii în timp, alocându-i către instrumente financiare precum acțiuni, obligațiuni și fonduri mutuale (acestea fiind doar câteva dintre numeroasele posibilități). Spre deosebire de economisire, investițiile implică un anumit nivel de risc, dar oferă potențialul de a obține randamente mai mari, în special atunci când sunt orientate către obiective financiare pe termen lung, cum ar fi pensionarea, achiziționarea unei locuințe sau finanțarea educației. Nivelul de risc și tipul de investiții ar trebui să se alinieze cu obiectivele financiare, toleranța personală la risc și orizontul de timp disponibil. În general,

perioadele de investiții mai lungi permit o capacitate mai mare de a face față fluctuațiilor pieței și de a asuma riscuri mai mari.

De exemplu, achiziționarea de acțiuni la o companie precum Apple reprezintă deținerea unei părți mici din afacere. Dacă compania are performanțe bune, valoarea acțiunii poate crește, oferind o oportunitate de profit. Totuși, investițiile nu oferă garanții (performanțe slabe sau falimentul ar putea duce la pierderi semnificative). Diversificarea, adică răspândirea investițiilor pe mai multe companii și industrii, este o strategie esențială pentru a minimiza aceste riscuri.

Un exemplu practic de investiție este participarea la un plan de pensii, unde o parte din venituri și contribuie regulat într-un portofoliu de active, inclusiv acțiuni și obligațiuni, gestionat de un administrator al planului. Mulți angajatori oferă contribuții egale, sporind investiția totală. Principalul beneficiu al unui plan de pensii sunt avantajele fiscale (contribuțiile reduc venitul impozabil, iar fondurile cresc amânat fiscal până la retragere). Începerea devreme și contribuirea constantă pot valorifica puterea dobânzilor compuse, crescând semnificativ economiile pentru pensie. Revizuirea și ajustarea regulată a portofoliului asigură alinierea cu toleranța la risc și cu obiectivele financiare în schimbare.

Investițiile oferă oportunități de a crește averea în timp (vezi Figura nr. 4.3), având potențialul de a obține randamente mai mari în comparație cu conturile de economii tradiționale. Acest lucru le face un instrument valoros pentru atingerea obiectivelor financiare pe termen lung, cum ar fi economisirea pentru pensie sau achiziționarea unei locuințe.

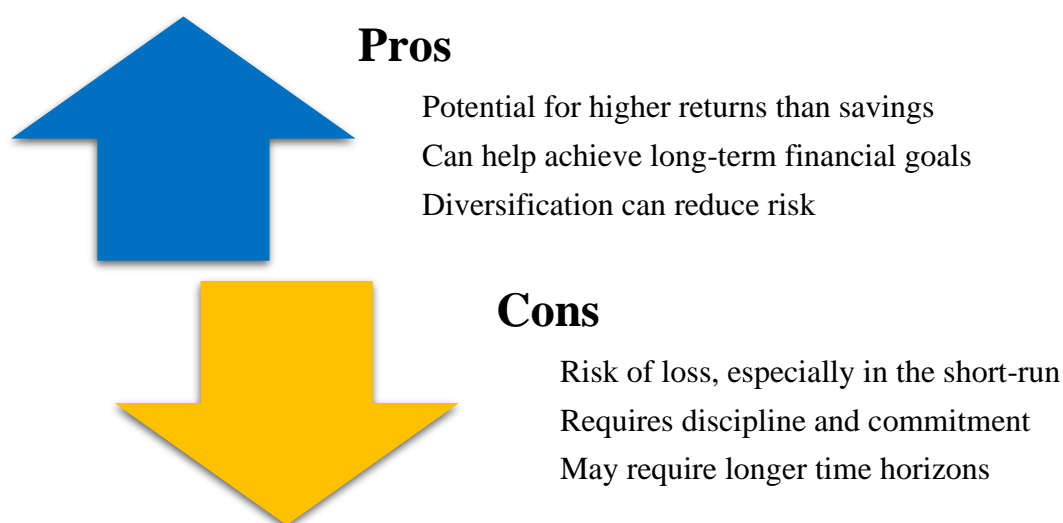


Figure no. 4.3 – Argumente pro și contra ale investițiilor

Prin reinvestire și dobânda compusă, investițiile pot ajuta la compensarea efectelor inflației și la menținerea puterii de cumpărare, lucru pe care conturile de economii îl pot întâmpina cu dificultăți în medii cu dobânzi scăzute. Totuși, investițiile oferă potențialul de a depăși inflația, în funcție de produsele de investiții alese, și ajută la menținerea sau chiar creșterea valorii reale a banilor în timp. În plus, investițiile adaptate obiectivelor individuale, toleranței la risc și orizonturilor de timp oferă flexibilitate pentru a se alinia la scopuri financiare specifice. Stabilirea unei contribuții automate regulate simplifică procesul de investiție, eliminând necesitatea de a sincroniza piața. În cazurile în care valorile investițiilor fluctuează, investițiile automate consistente pot echilibra costurile achiziției de-a lungul timpului. Această abordare are potențialul de a spori creșterea pe termen lung, de a reduce riscurile generale și de a alina preocupările legate de alegerea momentului optim pentru a investi, maximizând astfel potențialele randamente.

În ciuda beneficiilor sale, investițiile implică anumite provocări și riscuri. Volatilitatea pieței poate duce la pierderi, iar complexitatea instrumentelor financiare necesită o înțelegere solidă a piețelor și a strategiilor de investiții. Limitările de lichiditate și taxele asociate pot restricționa accesul la fonduri atunci când sunt necesare. Totuși, strategii precum diversificarea, contribuțiile automate regulate și sfaturile financiare profesionale pot ajuta la gestionarea acestor riscuri și pot crea o abordare disciplinată a investițiilor.

Începerea cu sume mici sau realizarea de contribuții incrementale poate simplifica procesul, făcând investițiile accesibile chiar și cu capital inițial limitat. Avantajele fiscale ale anumitor investiții, cum ar fi câștigurile de capital și veniturile din dividende, oferă stimulente suplimentare față de veniturile din dobânzi ale conturilor de economii. Cu o planificare atentă și o perspectivă pe termen lung, investițiile pot completa economisirea pentru a construi o strategie financiară echilibrată.

Momentul potrivit pentru economisire și investiții

Decizia de a economisi sau de a investi este adesea influențată de momentul în care se află o persoană în cadrul obiectivelor sale financiare și al orizontului de timp. Alegerea între economisire și investiție poate depinde de cât de repede trebuie atins un obiectiv și de nivelul de risc pe care este dispus să-l asume investitorul.

Assuming a *saving behavior* might be suitable in the following scenarios:

- **when one has short-term goals:** in cases when the time frame is short, savings accounts can be effective, as inflation is less likely to erode purchasing power and investments might not have enough time to grow significantly.

- **when one has low-risk tolerance:** for those wary of losing money, savings accounts are low-risk options that prioritize capital preservation, albeit with lower potential returns (compared to investment vehicles).

- **when building an emergency fund:** establishing a fund covering 3 to 6 months of living expenses can offer a safety net during periods of reduced or no income, while also protecting investments from being prematurely sold during financial challenges.

- **when there is a need for accessible cash:** savings accounts offer liquidity, making them ideal for situations requiring stable cash flow.

Assuming a *investing behavior*, one that focuses on long-term growth and potentially higher returns, might be more suitable in these situations:

- **when one has long-term goals:** for objectives like retirement or funding education, investing often provides better growth potential than saving, with a range of investment types tailored to meet specific needs over extended time frames.

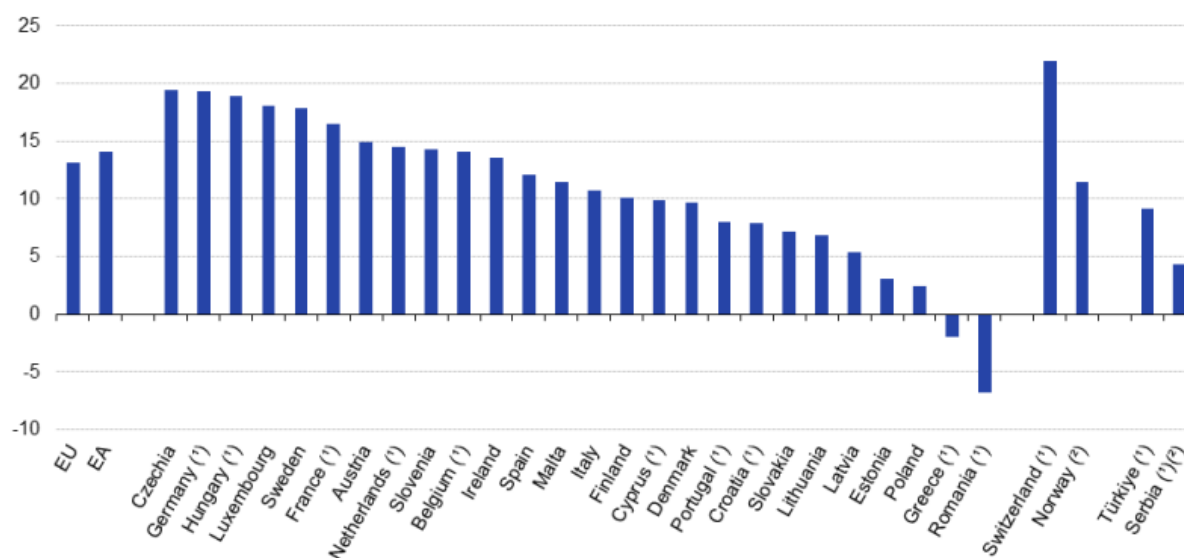
- **when one has high-risk tolerance:** investments often involve varying degrees of risk, with some assets like stocks carrying higher risks than others, such as bonds. Individuals open to the possibility of short-term losses for long-term gains may benefit from investing.

- **when one targets diversification:** diversifying across different asset classes and markets can reduce reliance on the performance of any single investment, helping to manage risk more effectively.

Therefore, there are numerous reasons why individuals might opt to save instead of investing, or the other way around. Some may prioritize the security of having readily available funds in a savings account to cover unexpected expenses or emergencies. Others may focus on short-term goals, such as saving for a vacation or a down payment on a house, and prefer the stability of low-risk savings accounts. The balance between saving and investing depends on personal financial goals, risk tolerance, and individual circumstances. A common recommendation is to first build an emergency fund that covers three to six months of living expenses, then save for short-term needs, and invest any remaining funds. The specific allocation between savings and investments will vary depending on factors such as age, income, existing debt, and long-term financial objectives.

Some statistics on saving and investing

During times of economic uncertainty, household saving rates typically rise, as individuals are more likely to save when faced with the risk of job loss. Expenditures on non-essential items, such as new vehicles or vacations, may also be postponed until the economy stabilizes. However, saving rates can also be impacted by declines in disposable income, which could result in lower savings. The household saving rate is calculated by dividing gross household saving by gross disposable income, with the latter adjusted to reflect changes in household equity within pension fund reserves. Nowadays, households in the EU save 13.2% of their disposable income (see Figure no. 5.4).



Note: gross disposable income is adjusted for changes in net equity of households in pension fund reserves.
 Bulgaria: not available.
 (*) Provisional.
 (**) 2022.

Figure no. 4.4 – Gross household saving rate, 2023
 (% , ratio of gross saving to gross disposable income)

Source: Eurostat ([nasa_10_ki](#))

Figure 4.4 shows that the household saving rate in the EU was 13.2% in 2023, while the euro area rate was slightly higher, at 14.1%. In 2023, the highest saving rates among EU countries (data for **Bulgaria** not available) were observed in Czechia (19.4%), Germany (19.3%), and Hungary (19.0%). Switzerland recorded an even higher rate of 22.0%. On the other hand, 11 EU countries had saving rates below 10.0% (**Lithuania** around 7%), with **Romania** and Greece showing negative rates of -6.8% and -1.9%, respectively. A negative

saving rate indicates that households spent more than their disposable income, relying either on savings accumulated in previous periods or on borrowing to finance their spending.

Household investment primarily includes expenditures on the purchase and renovation of dwellings, while spending on consumer goods like cars is categorized as final consumption and not part of household investment. Financial investments are also excluded from this category. Additionally, the investment figures presented encompass investments made by unincorporated businesses, such as sole proprietorships. The household investment rate is calculated by dividing gross fixed capital formation (mainly related to dwellings) by gross disposable income, which is adjusted for changes in household equity within pension funds. This indicator is useful for analyzing trends, including the downturn in housing markets during the global financial crisis, linked to the subprime mortgage and credit crisis.

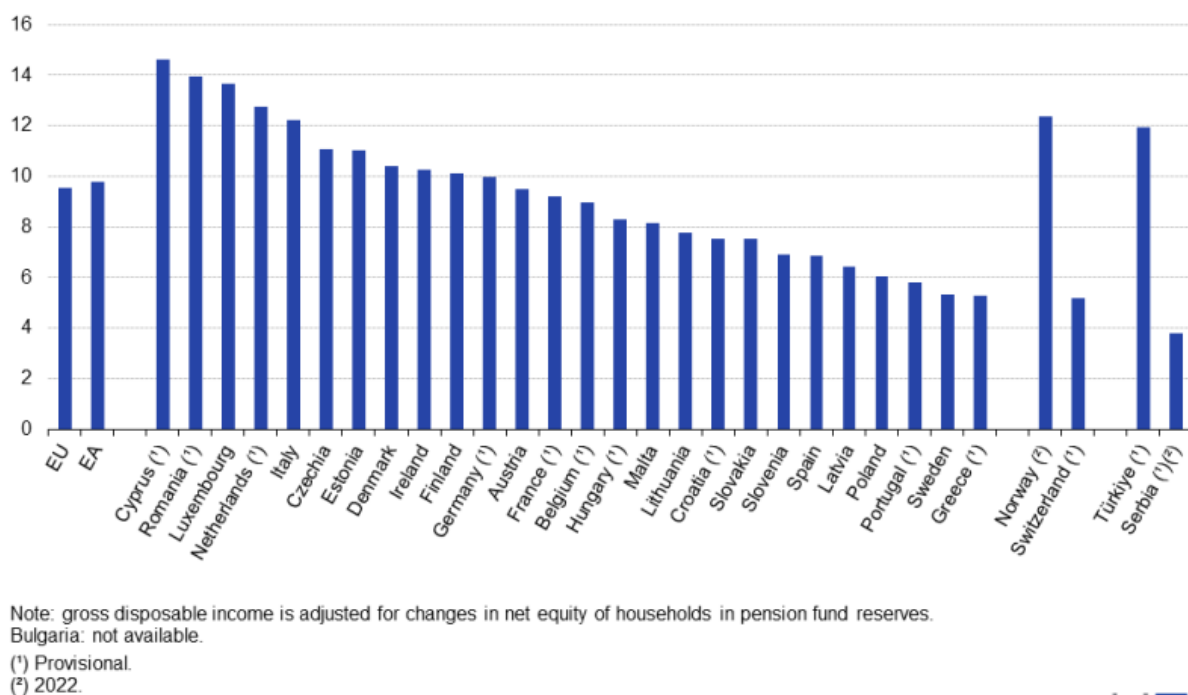


Figure no. 4.5 – Gross household investment rate, 2023
 (% , ratio of gross fixed capital formation to gross disposable income)
 Source: Eurostat ([nasa_10_ki](#))

As seen in Figure no. 4.5, in 2023, the highest household investment rates were observed in Cyprus (14.6%), **Romania** (13.9%), and Luxembourg (13.6%). In the EU as a whole, households allocated 9.5% of their gross disposable income to investments, slightly below the euro area average of 9.8%. The investment rates across EU countries varied, ranging from 14.6% in Cyprus, to about 8% in **Lithuania**, to 5.4% in Sweden and 5.3% in Greece.



Reflect & Discuss

How would you explain the difference between saving and investing to someone who is new to personal finance?

How comfortable are you with taking risks when it comes to money? Would you prefer saving or investing, and why?

Think of a short-term goal. Would you choose saving or investing for this goal? Why?

How do you think having an emergency fund could influence your decision to invest in other goals?

If you were to start investing, what types of assets would you consider, and why?

What steps would you take to start saving or investing today? Would you prioritize one over the other in the short term? Why?

Non-formal education exercises

Saving vs. Investing – "Making the Right Choice"

Situation:

Luca has saved **5000 euros** and is deciding whether to:

- **Save** it in a high-yield savings account with 2% annual interest.
- **Invest** it in a diversified stock portfolio with an average annual return of 7% but with risks of market fluctuation.

Requests:

1. Calculate the potential outcomes after 5 years for both options.
2. Discuss the pros and cons of saving versus investing.
3. Recommend a strategy for Luca, considering factors such as risk tolerance, time horizon, and financial goals.

5. The Essentials of Retail Banking: from Accounts to Loans

Objective

... to familiarize readers with various banking products and services and how to effectively manage them.

Learning outcomes:

- understanding what retail banking is.
- identifying the main banking products and services for the individual consumer.
- comprehending the main particularities of a checking account and a loan.

What is a retail bank?

In essence, a bank is a safe-keeping place for money, though it offers all kinds of convenience-oriented services and products in support of the customer. Retail or consumer banking is thus one type of financial institution in which banking services are dealt straight with the individual investor rather than corporations or businesses. Retail banks play a decisive role in personal finance management, and act as an intermediary where the individuals deposit their money for safekeeping while offering different forms of credit that may become crucial in purchasing a house, financing education, or meeting current living expenses.

Among the defining characteristics of retail banking is that it is accessible to the customers. Most of the retail banks have online and mobile banking platforms where people can check their balance, transfer funds, pay bills, and even apply for loans-all from the convenience of their devices. Branch locations and ATMs also provide in-person services for those that prefer face-to-face interactions. Besides traditional services, many retail banks offer specialized products like student accounts, retirement savings accounts, and home loan programs. These are designed to help individuals at different stages of their lives or with varying financial goals. For example, student accounts may include no fees and features such as a linked credit card to help build credit, while retirement accounts can offer tax benefits for long-term savings.

The purpose of retail banking is that the same individuals gain advice from an advisory position, which ranges from planning a budget to various kinds of investments, and many

others, useful in decision-making relevant to personal goals. It serves as an instrumental support tool on which people could comfortably place their financial tasks pertaining to security, savings, or reinvestment for building one's reserves¹¹.

Keeping large quantities of money at home is very risky and may be stolen, misplaced, or destroyed due to unanticipated occurrences, such as fire or natural disasters. In instances where money is deposited with an insured bank, including one with a guarantee through a system like the FGDB, that money is covered by partial protection. Cash for everyday expenses is a hassle to handle, while having a bank account makes the process of managing finance very easy. It allows one to track expenses with ease, which can be very helpful in budgeting or saving for future goals. Online bill payments also make the process efficient by eliminating the need for stamps or mailing checks.

Another benefit of using a bank is earning interest. Unlike money kept at home, funds in a bank account can grow through interest, which is paid for simply maintaining a balance. Interest rates vary between different banks and types of accounts, so it's worth comparing options to find the best place to manage your money.



In sum, the bank offers a safe and efficient avenue of money handling, from practical tools that help manage daily expenses to yielding interest through certain accounts for growing finances.

Banking products and services for the individual consumer

Here are some key banking products and services that are commonly used:

- **current accounts:** current, or checking, accounts are used for day-to-day transactions and allow easy access to funds. These accounts are designed for regular spending, such as paying bills and making purchases. While funds are easily accessible via checks, ATMs, or electronic transfers, these accounts typically do not offer interest, and fees may apply for certain transactions. However, they provide flexibility and convenience for managing everyday financial needs.

¹¹ <https://www.investopedia.com/terms/r/retailbanking.asp>.

- **savings accounts:** banks primarily provide a safe place to store money, with savings accounts being one of the most common ways to save for future expenses. These accounts work similarly to a piggy bank, securing funds until they are needed. Additionally, many banks offer interest on the balance in these accounts, which adds value over time. There are various types of savings accounts, each with different features and conditions, making it important to choose one that fits specific saving goals.

- **fixed deposits:** fixed or term deposits are another way to save money, but they require depositing a lump sum for a fixed period. In return, banks usually offer higher interest rates compared to regular savings accounts. These accounts are considered a safe method for growing wealth, but the funds must remain untouched until the term ends. If money is withdrawn early, interest is often forfeited, and penalties may apply.

- **loans:** banks also provide loans for various needs, such as emergencies, purchasing large items like cars or homes, or even starting a business. A loan involves borrowing a sum of money from the bank, which must be repaid with interest within a set timeframe. Loans can be secured, meaning they require collateral that can be seized if the loan is not repaid, or unsecured, where no collateral is required. Banks generally assess the borrower's creditworthiness before approving a loan, so not everyone may be eligible.

These products are essential tools for managing personal finances, whether saving for the future, managing daily expenses, or obtaining financial assistance for major purchases.

Ways to interact with the bank

There are several ways in which one can interact with a banking institution. Among these, we can include:

- ◆ **bank branches or brick-and-mortar branch locations**

A branch is a physical location where banking business is transacted face-to-face. Some reasons people may go into a branch include to get a cashier's check, buy coins, or rent a safe deposit box to store valuables. Other people simply like dealing directly with a banker when they need advice on selecting the financial products and services best for their needs. Today, traditional banks offer both brick-and-mortar branch locations and online services.



- ◆ **online and mobile banking**

Most of the banks now have this facility for the customers to manage their finance via online websites or through mobile applications. The access is available 24*7, and one can operate their accounts, pay bills, transfer money, and do more from their computers or smartphones. For those using mobile check deposit, a simple photo of a signed check can complete the transaction, eliminating the need for ATMs or branch visits. This round-the-clock access can help users stay organized. Bank apps often include features like bill reminders and notifications when account balances fall below a set threshold, assisting users in managing their financial obligations.

◆ **consumer and corporate banking**

Consumer banking, sometimes also known as retail or personal banking, is the services and products available for consumers that are designed for everyday finance. Examples include checking and savings accounts and personal loans-the things that the average citizen would need. Corporate banking deals with business customers. Sometimes called business banking, it offers financial products designed for small, medium, and large businesses, including those with operations that span across the nation and bring in sizeable revenues.

◆ **credit unions**

Credit unions are not-for-profit credit institutions that are owned by the members. They offer similar services compared to banks, including checking accounts and personal loans. In contrast to banks, as for-profit businesses, the credit unions are cooperative and non-profit, with the key focus on the members. This might have fewer physical locations, fewer financial products, and can be very competitive in regard to rates and fees.

◆ **online-only banking**

Some banks also offer the ability to access accounts by telephone. A customer might call the bank to determine a balance, to transfer funds, or to pay a bill. In hours when the bank is not operating, an automated system might lead an individual through actions such as these.

◆ **telephone banking**

Other banks also offer the ability to access accounts by telephone. A customer might call the bank to determine a balance, to transfer funds, or to pay a bill. In hours when the bank is not operating, an automated system might lead an individual through actions such as these.

The selection of an appropriate bank requires great consideration of an individual's financial needs and preference. It is very important to assess one's personal financial

circumstances and requirements before opening an account or enrolling in banking services. Following are 3 key factors to consider¹²:

a) type of bank – one has to consider whether a traditional retail bank-with physical branches-an online bank-operating solely via the internet-a credit union-a member-managed, non-profit institution-or a neobank-a digital banking platform, often supported by fintech companies-is the best option. Each has unique advantages and limitations. Neobanks are a good example of those that have been tailored to make banking easy and accessible; therefore, people who cannot access any other form of banking may have somewhere to stand.

b) banking fees and interest rates – each bank has specific fees for transactions, ATM withdrawals, maintenance, and overdrafts, but most of these can be avoided or reduced. These fees should be compared between different institutions. In addition, the interest rates provided for savings accounts, fixed deposits, and other interest-bearing products should be compared to maximize returns on stored money.

c) additional banking features – more and more banks currently offer the service of mobile banking. One can also search for advance security, easy modes of communications, as well as mobile money option.

Other than the listed considerations, one should also refer to the regional regulations apart from available banking products.

Opening a new bank account

A bank account is a kind of formal agreement between the retail bank and an individual, where the bank is responsible for keeping safe and holding the owner's money. It also tracks all related transactions to ensure proper record-keeping. The account holder has the ability to *deposit, withdraw, and manage their funds* according to the policies set by the bank.

Opening a bank account involves several steps, which include documentation, in order to ensure security and legitimacy. A general overview of the process may consist in:

- 1. application:** an application form is to be filled out as provided by the bank. The application will require personal basic information and details of the type of account that you intend to open.

¹² <https://www.investopedia.com/how-to-choose-a-bank-5183999>.

- 2. identification:** a valid form of identification, such as a government-issued driver's license, passport, or other official ID, is required to verify your identity. This step helps the bank comply with legal requirements, including anti-money laundering regulations.
- 3. provide Personal Identification Number (PIN) or equivalent:** Most banks require one to provide a personal identification number or some other similar identification number for the respective country. This helps in identification, proper taxation, and reporting.



Figure no. 5.1 – Steps in opening a bank account

Source: <https://www.financestrategists.com/banking/bank-account/how-bank-accounts-work/>

- 4. proof of address:** the individual must provide a utility bill or a rental agreement or an official government document that attests to an applicant's proof of residence.
- 5. verification:** these are then subjected to verification processes, which, in fact, are crucial to identify identity theft or fraud cases.
- 6. approval and account opening:** after verification, the bank will consider the application for approval and check whether the customer is eligible to open the account. If the application is approved, the bank will start opening the account.
- 7. deposit money in the account:** in order to activate the account, most banks require an initial deposit. The amount that one is supposed to pay as the initial deposit depends on the account type and the bank's policies.

The bank issues the account holder all details pertinent to the account, an account number, and a routing number once the account is set up; thereafter, it can easily be used for transactions by making use of the bank's security and the possibility to accrue interest on deposits.

Getting a loan from the bank

A loan is a credit arrangement in which money is granted to an individual with the expectation of repayment, usually with other interest or finance charges added on top of the principal. A loan can be granted once, as a lump sum, or as an open line of credit up to a specific limit. Loans may take the form of a secured, unsecured, personal, or commercial loan.

To apply for a loan, one must provide essential personal information to a lender, including the purpose of the loan, financial history, and identifying numbers, such as the Personal Identification Number. Lenders consider the borrower's debt-to-income ratio when determining their creditworthiness, that is, whether the borrower can afford to repay the loan. Based on this assessment, the application is either approved or denied, with the lender explaining any denial reasons. Once approved, both parties sign a contract that outlines the terms, and the loan amount is then disbursed to the borrower.

The loan terms are normally set prior to releasing the money, by the crediting institution. This is an amount generally stating interest rates, repayments, and collaterals. In a secured loan, the collateral to be used is identified in this agreement. Most loans limit the interest rate and how long the repayments will be.

Loans are taken for many reasons, such as to finance major purchases, to facilitate business, home improvements, and to consolidate debt. They are important in driving economic activity since they enable businesses to access the capital they require to grow. Interest and fees on loans also form a major source of income for banks and other financial institutions.

A loan consists of three significant components that influence the payback of the loan¹³:

- **Principal:** This is the original amount of money that is being borrowed.
- **Loan Term:** The amount of time that the borrower has to repay the loan.
- **Interest Rate:** The rate at which the amount of money owed increases, usually expressed in terms of an annual percentage rate (APR).
- **Loan Payments:** The amount of money that must be paid every month or week in order to satisfy the terms of the loan. Based on the principal, loan term, and interest rate, this can be determined from an amortization table.

¹³ <https://www.investopedia.com/terms/l/loan.asp>.

In addition, the lender may also tack on additional fees, such as an origination fee, servicing fee, or late payment fees. For larger loans, they may also require collateral, such as real estate or a vehicle. If the borrower defaults on the loan, these assets may be seized to pay off the remaining debt.

In order to qualify for a loan, prospective borrowers need to show that they have the ability and financial discipline to repay the lender. There are several factors that lenders consider when deciding if a particular borrower is worth the risk:

- **Income:** With larger loans, lenders may require a certain threshold of income, ensuring the borrower will have no trouble making payments. They may also require several years of stable employment, especially in the case of home mortgages.

- **Credit Score:** Credit score is the numerical representation of the creditworthiness of a person based on his borrowing and repayment history. Missed payments and bankruptcies can seriously damage an individual's credit score.

- **Debt-to-Income Ratio:** Apart from one's income, lenders also verify the borrowing history of a person to check how many active loans he or she has taken out at the same time. A high level of debt indicates that the borrower may have difficulty repaying their debts.

It is still possible for one to qualify for the loans in case they had a lot of debt or poor scores in their credit, but these are likely to occur at higher interest rates. Since such loans cost them a great deal over an extended period, you're best trying to improve your scores and ratio of debt to earnings.

In Figure no. 5.2. one can notice the simplified procedure of getting a mortgage-backed loan from a retail bank.

To provide a clearer picture of the banking landscape in terms of the total number of credit institutions, data from the [ECB Data Portal](#) indicates that at the end of 2023, **Romania** had 29 institutions, **Lithuania** had 7, and **Bulgaria** accounted for 23.

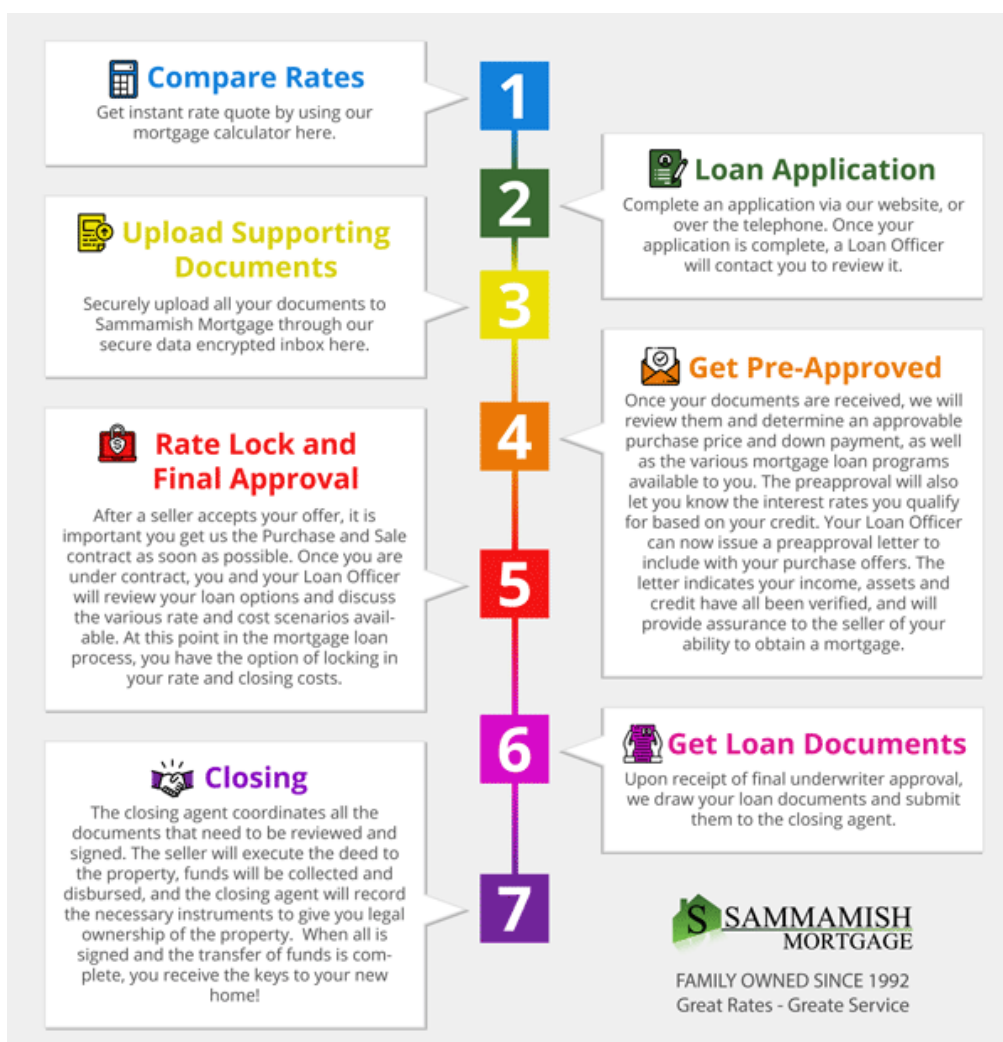


Figure no. 5.2 – Steps in getting a mortgage-backed loan

Source: <https://www.sammamishmortgage.com/7-steps-to-get-a-home-loan/>



Reflect & Discuss

What do you think are the most common banking products offered by retail banks?

Why do you think personal financial advice from a bank is crucial for many individuals?

What types of financial decisions can a retail bank support its customers in making?

What do you think are the risks of keeping money at home compared to depositing it in a bank?

How do interest rates influence your decision to keep money in a bank account rather than at home?

What factors should someone consider when comparing interest rates among different banks?

What personal factors should someone consider when choosing a bank?

Non-formal education exercises

1. YES or NO Loan (an ice-breaking method involving movement and decision-making)

I will name different things - if you think this is a loan - you go to Yes, if you think it's not - move to No. Emphasize that physical movement is necessary (in case it's not possible to move in this room, you can ask them to stay on the right/left side of their desk or to raise their right/left hand)

(SLIDE 2 - put all statements on the slide without the answers)

-You borrow €100 from a friend and promise to return it next month.

Answer: Loan – It's an informal loan because you're borrowing money with an agreement to repay it.

-You take €20 from your parents' wallet without asking.

Answer: Not a Loan – This is theft or borrowing without agreement, so it doesn't qualify as a loan.

-You agree to pay for your new phone in monthly installments, arranged by the store and a bank.

Answer: Loan – This is often financed through a consumer loan with fixed payments.

-You withdraw €500 from your bank savings account.

Answer: Not a Loan – This is your own money, not borrowed

-You ask your friend to give you a ride and promise to pay for gas later.

Answer: Not a Loan – This is a verbal agreement to share costs, not a formal borrowing of money.

-You buy a house with a mortgage.

Answer: Loan – A mortgage is a type of secured loan used specifically for real estate

-You use your credit card to buy groceries.

Answer: Loan – Credit cards provide revolving credit, which is a type of loan you repay after using it.

2. Kahoot quiz on Loans and credit instrument; *insert link to Kahoot quiz*

Materials: beeping buttons, tablets (optional)

3. Would you give yourself a loan?

Activity Purpose & Goals

- Enhance participants' ability to make informed decisions when choosing banking services for their business, considering the benefits and implications of different options.
- Provide insight into the lender's perspective, helping participants understand the decision-making process behind business loan approvals.

Time Required: 40–50 minutes

Materials Needed: Paper and pens for note-taking

Trainer Resources:

- Six Questions a Lender Will Ask Small Business Owners:
<https://aofund.org/resource/six-questions-a-lender-will-ask-small-business-owners/>
- How Much Does a Small Business Loan Cost?
<https://www.nerdwallet.com/article/small-business/how-much-is-a-small-business-loan>
- Business Loan Application Form Guidelines: <https://www.fundera.com/business-loans/guides/business-loan-application>

Activity Steps – Trainer Guidelines

Form Small Groups

- Divide participants into groups of 4–6 members.
- Assign one participant to act as the banker, while the others play the role of loan applicants.

Role-Playing Scenario

- Participants act as bank employees conducting interviews to assess business loan applicants.

○ Applicants can apply for a loan using their real business or create an imaginary business profile.

Key Considerations for Loan Approval

During the interviews, bankers should evaluate:

- Purpose of the Loan:
 - Businesses may seek loans for expansion, inventory, cash flow, equipment, or refinancing.
 - The banker must assess whether the reason is appropriate for the type of loan requested.
- Verifiable Income:
 - Applicants must demonstrate how they will repay the loan.
- Debt-to-Income Ratio:
 - A key factor in assessing loan risk—lower ratios indicate less financial risk.

Discussion Topics:

- Industry Risks: Some sectors (e.g., construction, food service) are considered riskier due to economic and market fluctuations.
- Business Experience: Established businesses with a solid customer base and industry knowledge are more likely to secure loans.
- Business Goals: Bankers should evaluate how the applicant plans to use the funds and suggest the most suitable financing options, such as a revolving line of credit versus a term loan.

Loan Evaluation & Decision

- Bankers should question applicants to identify valid vs. risky loan reasons.
- Each banker decides who gets approved for a loan and why, then presents their reasoning to the group.

6. Investments: Fundamentals, Risks and Opportunities

Objective

... to provide readers with a foundational understanding of investments, including their purpose, key principles, and diverse types.

Learning outcomes:

- understanding what an investment is.
- grasping the risk-return tradeoff.
- differentiating between the main types of investments.

What is an investment?

An investment is an *asset* that an individual acquires in order to gain an income or to sell it at a higher price. Appreciation is the actual increase in an asset's overall value over time. The process of investing demands from the investor resources such as time, effort (or know-how), or money now to achieve greater gains



or profits later on. Those who take the time to understand the basic principles and the different asset classes stand to gain significantly over the long haul. This is especially true given that the current investment landscapes are highly dynamic and constantly evolving.

The term “investment” can be tackled in two different ways¹⁴:

- an economic approach regards investment as the no. of goods purchased, by an individual or an entity, which is not used for the present time but are used for the wealth creation in the future.

- a financial approach regards investment as putting aside money, in the present, with an expectation of future gains on it.

Thus, in simple terms, investment is a human’s common nature of planning for the future by deploying money in assets that have an ability to generate some gains over the period of time. Thus, it is referred to as an asset that you purchase with an expectation make a profit out of selling it in the future.

¹⁴ <https://corporatefinanceinstitute.com/resources/valuation/investment-value/>.

The risk-return tradeoff

When it comes to investments, two primary characteristics define them: **Return** and **Risk**. Return represents the additional income or profit earned from the investment, while risk refers to the potential for a portion of the invested funds to be lost. The balance between risk and return depends, among others, on market conditions and broader economic factors. Typically, investments that promise higher returns are accompanied by greater levels of risk. Conversely, options with lower risk usually yield more modest returns¹⁵.

An investment can generate, over a specific period, financial gains or losses. This evolution allows us to compute the return of an investment. It can take several forms:

- a) **income**: earnings from interest, dividends, or rent.
- b) **capital appreciation**: an increase in the value of the investment, over a period of time, such as a rise in stock prices or property value.
- c) **total return**: a combination of income and capital appreciation.

With regard to the risks, these reflect the uncertainty or variability of returns from an investment, over a period of time. It implies that an investor might lose some or all of the invested capital. Risks can arise from various factors, such as:

- a) **market volatility**: fluctuations in stock prices or interest rates.
- b) **credit risk**: the possibility of a borrower or institution defaulting.
- c) **liquidity risk**: difficulty in converting an investment into cash without significant loss.
- d) **inflation risk**: the potential for inflation to erode purchasing power, reducing real returns.

The relationship between risk and return is often described as a **tradeoff**, in the sense that every investment involves some level of compromise.

In other words:

- **higher risk, higher potential return**: investments such as stocks or cryptocurrencies tend to offer higher returns, but they come with increased risk due to market unpredictability.



¹⁵ <https://www.investopedia.com/terms/r/riskreturntradeoff.asp>.

- **lower risk, lower potential return:** safer investments like government bonds or savings accounts typically provide modest returns in exchange for greater stability.

Main types of investments

The first step is learning to distinguish between different types of investments and what place occupies each one of them on the risk ladder. The Investment Risk Ladder is quite important for understanding the continuum of all investments in terms of risk and probable returns. It organizes different investment products from those available with less risk and lower returns to the most risky high-yield products.



Figure no. 6.1 – The Investment Risk Ladder

Source: <https://www.investopedia.com/articles/basics/11/3-s-simple-investing.asp>

The **Investment Risk Ladder** is a very useful tool for any beginner that enables investment diversification elements while balancing possible gains with corresponding risk exposure. A total newbie can select the least risky on the ladder and progressively graduate to higher levels as comfortability improves in the unfolding dynamics of the market. In the process, it is very important to consider:

- **risk tolerance:** determine how comfortable an individual can be with regard to risk as well as the influence of possible financial goals, age, and stability in income.
- **time horizon:** the long-term goals usually assume a high-risk type of investment because there is more time to bounce back from market crashes.

- **diversification:** a well-diversified portfolio across several rungs of the ladder should result in lower overall risk while still capturing growth opportunities.

- **liquidity restrictions:** some investments are less liquid than others and may be more difficult to sell (an investment may be locked for a certain period and cannot be easily liquidated).

- **tax implications:** investors should understand the cost of short-term and long-term capital gains tax rates.

Thus, by mastering the investment risk ladder, one can judge where to invest so as to match the financial goals that will later pave the path to wealth-building strategies.



Figure no. 6.2 – Types of Investments

Source: <https://www.orowealth.com/insights/blog/what-is-investment/>

From the pool of possible investment vehicles, we will focus on 5 of them, considered by some experts to be the most important ones.

1. Bonds

A bond is a type of debt security, representing a loan extended by an investor to an entity, such as a government (*government bonds* or *municipal bonds*) or corporation (*corporate bonds*). When a bond is purchased, the investor essentially lends money to the issuer. In return,

the issuer commits to paying periodic interest at a predetermined rate (*coupon*) and repaying the principal amount when the bond matures. Bonds are often used by organizations to raise capital for various purposes, including financing operations or funding specific projects.

Bonds are generally perceived as *less risky investments* because of their fixed interest payments and lower volatility compared to equities. Stability makes them attractive for investors who seek predictable returns. However, the lower risks normally come with relatively modest returns. Although perceived to be safe, bond investments also carry a number of risks, including:

- **interest rate risk:** changes in the general level of interest rates affect the market value of bonds. When interest rates increase, the prices of bonds typically decline, and vice versa.
- **credit risk:** there is the risk that the issuer fails to pay interest or principal payments.
- **inflation risk:** the possibility that rising inflation can reduce the purchasing power of interest payments.

Impact of Interest Rates on Price of Bonds

The bond price and yield are very sensitive to prevailing interest rates. Any time central banks, like the Central Bank, change interest rates, the bond market starts to move. In times of quantitative easing or rate increases, for instance, the volume of bond trading will surge as investors adjust their portfolios to account for new borrowing costs and changed market conditions. Understanding these dynamics is important to informed decision-making in bond



investments, as they are key to the balance of risk and return in a diversified investment portfolio.

For example, the European Commission will fund up to 30% of NextGenerationEU by issuing *NextGenerationEU Green Bonds*. Through this 15-year bond, the Commission raised €12 billion, making it the world's largest green bond transaction to date. Since then, the Commission has continued to be active in the market with new green lines and taps. NextGenerationEU green bonds are generating numerous advantages for the EU, the capital markets and the market for sustainable finance in particular¹⁶.

For the individual investor, these bonds gave opportunities to have a low-risk chance to contribute to Europe's sustainable recovery and green transition while earning stable returns. The bonds financed environmentally oriented projects like renewable energy, clean transportation, and biodiversity conservation. They provided investors with a dual benefit of contributing to the climate goals as well as diversifying their portfolios with a credible,

¹⁶ https://ec.europa.eu/commission/presscorner/detail/cs/qanda_21_4567.

sustainability asset. Making green finance more affordable, these kinds of bonds enable individual people to invest their money according to their environmental ethics.

2. Stocks or Equities

Stocks are also known as equities, and these allow an individual to own part of a company. When buying stock, an investor becomes a part-owner of that business. Investors buy stocks for various reasons. Here are some of them:

- **capital appreciation**, which occurs when a stock rises in price.
- **dividend** payments, which come when the company distributes some of its earnings to stockholders.
- **ability to vote** shares and influence the company.

The price of a stock or its share price indicates the market values the company at that time (or the level of trust that the company has on the market, in the eyes of the investors). Stocks are issued by private companies and the majority of them are listed on an some stock market exchange, allowing nearly all investors to access them.

Equity stocks are subjected to market risk. Considering the high volatility, equity investments are generally high-risk investment options. Nonetheless, with higher risks one could obtain higher returns. Therefore, equity investments also have high-profit perspectives. Considering its' high risk-high return characteristics, stocks are considered to be the best long-term investment options that can deliver higher growth over a long period of time.

There are two main kinds of stocks, common stock and preferred stock.

- **common stock** entitles owners to vote at shareholder meetings and receive dividends.
- **preferred stocks** usually don't allow stockholders to have voting rights but they receive dividend payments before common stockholders do, and have priority over common stockholders if the company goes bankrupt and its assets are liquidated.

With regard to the actual process of buying a stock, these include:

1. The first step involves opening a brokerage account.
2. Next, it is necessary to select the stocks to invest in.
3. Once the stocks are chosen, the number of shares to be purchased must be determined.
4. Afterward, it is important to decide which type of stock order is most appropriate, typically either a market or limit order.



5. Finally, the order is entered, the buy button is clicked, and ownership of the shares is acquired.

3. Mutual funds



Mutual funds are a financial investment through which many individuals join together in pooling money into a fund. This pooled money is subsequently invested into a diverse class of assets such as stocks, bonds, cash equivalents, and so on. The profits derived from these investments get shared among the investors. The Net Asset Value (NAV) of the mutual fund determines the value of investment at any time for investors, an NAV being the value in current market terms. The major advantage of mutual funds is that they are professionally managed by fund managers. With a large variety of mutual funds, one must select the right one.

The types of risks and returns associated with mutual funds vary with the type of investment that has been selected. There are funds that invest in *low-risk assets* such as cash equivalents and bonds. Others tend to have a much *higher risk* because they invest mainly in equities. Some investment returns are generally aligned with the amount of risk involved.

Mutual funds offer investors a simpler way to diversify their wealth and collect investments in a wide range of assets-such as stocks, bonds or sectors. Some funds would restrict investment to specific industries or companies through definitional criteria, including socially responsible investment. The primary benefit of mutual funds is *having access to a variety of assets in a single transaction, with professional managers selecting and managing all investments.*

Investors typically earn returns from a mutual fund in three ways:

- **dividend/interest income:** mutual funds distribute the dividends on stocks and interest on bonds held in its portfolio. Funds often give investors the choice of either receiving a check for distributions or reinvesting earnings for additional shares in the mutual fund.
- **portfolio** distributions: if the fund sells securities that have increased in price, the fund realizes a capital gain, which most funds also pass on to investors in a distribution.
- **capital** gains distribution: when the fund's shares increase in price, you can sell your mutual fund shares for a profit in the market.

There's a diverse range of options out there, each tailored to specific investment goals, risk levels, asset classes and structures. Based on asset class, there are: Equity Funds, Debt Funds, Money Market Funds and Hybrid Funds. Considering the investment goals, there are:

Growth Funds, Income Funds, Liquid Funds, Tax Saving Funds, Aggressive Growth Funds, Capital Protection Funds, Fixed Maturity Funds, Pension Funds. Considering the risk, there are: Very low Risk Funds, Low Risk Funds, Medium Risk Funds, High Risk Funds, Specialized Mutual Funds, Sector Funds, Index Funds, Funds of Funds, Emerging Market Funds, Inverse/Leveraged Funds, Asset Allocation Funds, Exchange-Traded Funds and others.

4. Real estate

Real estate refers to land and any permanent structures or enhancements associated with it, whether they are naturally occurring or constructed by humans. This includes homes, buildings, and other fixed improvements. Unlike personal property, which consists of movable items such as vehicles, jewelry, furniture, or farm equipment, real estate is classified as real property due to its fixed and immovable nature.



Real estate investments involve allocating resources to physical properties with the goal of generating income or profit. This can be achieved by renting out the property or selling it at a higher value. Real estate is often seen as an attractive long-term investment option. In addition to purchasing properties directly, alternative approaches include investing in real estate-related stocks or realty funds.

Real estate investments carry a high degree of risk, including potential legal disputes and property-related challenges. The level of risk and potential returns depends on several factors, such as the type of property, its location, market conditions, and the investment's time horizon. Another option for engaging in real estate investment is through real estate investment trusts (REITs). These operate similarly to mutual funds (described earlier), pooling resources from multiple investors to purchase and manage properties. REITs are traded on stock exchanges, providing an indirect way to invest in real estate without directly owning property.

Therefore, there are several types of real estate investments, but most fall into two categories: *physical real estate investments* like land, residential and commercial properties, and *other modes of investing that don't require owning physical property*, such as REITs and crowdfunding platforms. Investing in traditional, physical real estate can offer a high return, but it also requires more money upfront and it can have high ongoing costs. REITs and crowdfunding platforms have a lower financial barrier to entry, meaning you can invest in multiple types of real estate for far less than it would cost to invest in even one traditional

property. These alternative real estate investments also offer the distinct advantage of not having to leave your house or put on pants to start investing.

5. Commodities



Energy resources (e.g., oil, gas, and coal), agricultural goods (e.g., corn, soy, canola, pork, and beef), and metals (e.g., gold, silver, copper, and platinum) all operate within established market dynamics and are supported by straightforward financial instruments for trading. The pricing of many commodities is influenced by market demand and the extent of processing required. In a financial world dominated by derivatives, trackers, and complex instruments shaped by layers of market sentiment, commodities provide *a more direct and tangible investment approach*. Exploring the key commodities and their potential role in meeting specific investment objectives offers valuable insights for *diversifying* and *strengthening* a portfolio.

Investors can access commodities in a few different ways:

- **Physical Ownership:** it is common for precious metals like gold and silver, often purchased as bullion with standardized size and purity. Challenges in physically owning a commodity include storage, insurance, and liquidity issues. Other commodities pose additional storage concerns due to large quantities and perishability.
- **Futures Contracts:** there are agreements, between two parties, to buy or sell a commodity at a specific price on a future date, often settled in cash. It requires margin accounts for leverage, additional paperwork, and higher account minimums. The main benefit is that it avoids the need for physical delivery of the commodities.
- **Individual Securities:** these are investments in companies involved in commodity production or processing, accessible through brokerage accounts. The success of such investments often depends on industry knowledge, particularly in the mining and energy sectors. What is interesting is that large companies with diverse reserves offer stability, while smaller ones may have greater price volatility.
- **Mutual Funds, ETFs, and ETNs:** such investments may involve futures, options, sector shares, or physical assets (combining the above-mentioned types of mutual fund investments with commodities). Some funds use leverage to amplify price movements, so understanding fund disclosures is essential.

- **Alternative Investments:** bullion coins and jewelry are subcategories of commodities with aesthetic and historical value, often priced above metal market values. These are more akin to collectibles than conventional commodity investments.

The total assets held by investment funds in a country offer valuable insights into the size and health of its investment fund industry. For instance, in **Romania**, the total assets amounted to **8,964 millions of euro** by the end of Q3 2024, while in **Lithuania**, the figure stood at **3,983 millions of euro**. Unfortunately, comparable data is not available for **Bulgaria**.



Reflect & Discuss

How would you define "investment" in your own words, and why is it important to invest for the future?

Reflect on any investments (financial or non-financial) you have made in your own life. How did those investments help you in achieving your goals?

Think about a time when you made a decision involving risk. How did you assess the potential benefits and risks of that decision? How does this relate to the concept of the risk-return tradeoff in investments?

What type of investments do you think would fit your current risk tolerance, and how might that change as you get older or achieve more financial stability?

Discuss the concept of diversification. How might diversifying your investments across different asset types help manage risk?

What would be your approach to creating a balanced investment portfolio? How would you decide how much to invest in stocks, bonds, real estate, or other assets?

How does your time horizon affect the types of investments you might consider? Would you make different investment choices if you were planning for retirement vs. saving for a short-term goal, like buying a car?

How do you feel about sustainable investments, like green bonds, which contribute to environmental goals? Would you be willing to invest in these types of assets if they provided a steady return? Why or why not?

Based on the different types of investments discussed in the chapter, which do you think would suit your financial goals? How do you plan to start exploring these investment options?

Do you think it is possible to achieve high returns without significant risk? Why or why not? How would you balance this expectation with your personal financial goals?

Non-formal education exercises

1. Investment Simulation – "Build Your Portfolio"

Objective: Help participants understand different types of investments, the risk-return tradeoff, and how to create a diversified portfolio.

Instructions:

1. **Setup:** Divide participants into small groups and give each team a starting budget (e.g., \$10,000 in virtual money). Provide them with a list of investment options such as stocks, bonds, real estate, commodities, and mutual funds, each with different risk and return rates.
2. **Investment Round:** Each team must allocate their budget across different investments based on their risk tolerance and strategy.
3. **Market Events:** Introduce random market events (e.g., "Stock prices drop by 15%" or "Interest rates rise, increasing bond yields") and adjust their portfolios accordingly.
4. **Reflection:** After a few rounds, teams analyze their gains/losses and discuss what worked, what didn't, and how they balanced risk and return.

◇ Debriefing Questions:

- How did your risk tolerance impact your investment choices?
- What was the biggest challenge in balancing risk and return?
- How would you change your investment strategy in a real-life scenario?

2. Risk vs. Return Debate – "High Risk, High Reward?"

Objective: Help participants critically assess different investment risks and returns.

Instructions:

1. **Divide the class into two groups:** One group will argue that **high-risk investments (stocks, cryptocurrencies, venture capital) are the best way to build wealth**, while

the other will argue that **low-risk investments (bonds, savings accounts, diversified funds) are the safer and more reliable approach.**

2. **Research Phase:** Give each team time to research real-world examples of successful and failed investments.
3. **Debate Round:** Teams present their arguments, using examples to support their claims. Encourage them to counter the opposing team's points.
4. **Final Reflection:** The group discusses what they learned about risk tolerance, investment choices, and long-term financial planning.

◇ Debriefing Questions:

- What are the tradeoffs between high and low-risk investments?
- Which investment approach aligns best with your personal financial goals?
- *How does economic context influence investment decisions?*

3. "Pay Yourself First" Investment Habit

💡 **Concept:** Instead of saving what's left after spending, set aside a fixed amount for investments **before** anything else (just like paying a bill).

◇ How it works:

- Every time you get paid, automatically transfer a portion (e.g., 10%) into an investment account.
- Use this money to buy stocks, ETFs, or bonds regularly—without overthinking market conditions.

◇ Why it works:

- It builds discipline and consistency without needing deep financial knowledge.
- You grow wealth over time without feeling like you're sacrificing too much.

4. "Round-Up Investing" (Micro-Investing)

💡 **Concept:** Invest spare change from daily purchases into assets like stocks or mutual funds.

◇ How it works:

- When you buy a coffee for \$3.75, the app rounds it up to \$4 and invests the extra \$0.25.

- Over time, these small amounts add up and grow through compound interest.
 - ◇ Why it works:
- Perfect for people who feel they "don't have enough money to invest."
- It's effortless, automatic, and turns everyday spending into a wealth-building habit.

7. Insurances and Private Pensions

Objective

... to provide readers an in-depth understanding of two essential financial products – insurance and private pensions – highlighting their importance in managing financial risks, securing future financial stability, and planning for retirement.

Learning outcomes:

- understanding what insurance is.
- comprehending the differences between the four main types of insurance policies.
- depicting what a pension is and how one can select and join a privately managed pension fund.

When thinking about financial education, topics like savings, managing expenses, budgeting, investing or accessing credit may come to mind. However, insurance and pensions are other important, yet complicated financial products that are worth considering.

What is an insurance?

Insurance is a financial tool that can help households and business better manage risks, without having to resort to use (harmful) coping strategies, such as selling assets, depleting savings or borrowing money at high interest rates. However, it can be a complicated tool to understand.

Insurance terminology, like ‘premium’, ‘claims’, ‘insured events’, ‘pay out’ and ‘trigger’, and its way of working can be very confusing, especially to individuals who have never purchased insurance before. And this in itself can be a barrier to accessing this important financial product¹⁷.

Insurance emerged as a response to the universal need for protection and security, designed to manage uncertainties and mitigate risks. These risks, whether related to life, health, property, or other aspects of life, may be remote but remain predictable and measurable. While some individuals attempt to avoid risks through superstition or cautious behavior, there are situations that require professional management and long-term stability to address potential challenges.



¹⁷ <https://www.ilo.org/resource/article/financial-education-role-insurance>.

This is where the role of the insurer becomes essential. Throughout various stages of life, insurance provides a foundation for greater security, enabling individuals to make informed decisions and plan for the future with confidence.

Despite the diversity of insurance agreements, all share fundamental principles that underpin the insurance industry. These include the assurance of future financial stability, the principle of solidarity among groups facing similar risks, and the contractual relationship between the insured and the insurer. Under this relationship, the insurer commits to compensating for losses in exchange for the prior payment of an insurance premium.

At its core, insurance represents a promise built on trust. A reliable insurer fulfills this promise by transforming challenging circumstances into more manageable outcomes.

Main types of insurance policies

Selecting the right type and amount of insurance is based on an individual's specific situation, such as children, age, lifestyle, and employment benefits. Four types of insurance that most financial experts recommend include life, health, auto, and long-term disability (see Figure no. 7.1).



Figure no. 7.1 – Types of Insurance Policies

Source: <https://www.investopedia.com/financial-edge/0212/4-types-of-insurance-everyone-needs.aspx>

1. Life Insurance

Life insurance generally falls into two main categories: whole life and term life insurance.

- **whole life insurance** serves as both an income tool and a protective insurance instrument. It includes a death benefit as well as a cash value component. Over time, the cash value grows, and individuals holding these policies can access the funds by taking out loans or withdrawing money. Additionally, the policy can be terminated, allowing the insured to receive the accumulated cash value.

- **term life insurance** provides coverage for a specific duration, such as 10, 20, or 30 years, with stable premiums throughout the term. It is often the most affordable type of life insurance and is commonly used to cover specific financial obligations, such as mortgage loans or the years when children are in school or college.

Life insurance is particularly critical for families reliant on a primary wage earner's income. Industry recommendations suggest a policy payout equivalent to approximately 10 times the policyholder's annual income. When calculating the necessary coverage amount, it is essential to account for funeral costs and ongoing family expenses. These may include mortgage payments, outstanding debts, taxes, child care, and future education expenses.

In 2023, data from the U.S. Bureau of Labor Statistics revealed that in 48.9% of married-couple families, both spouses contributed to household income, an increase from 46.8% in 2021. This statistic underscores the potential financial hardship a family could face if one income earner were to pass away unexpectedly.

2. Health Insurance

Health insurance covers the cost of medical expenses incurred due to illness or injury. It can include coverage for doctor visits, hospital stays, prescription drugs, preventive care, and other health-related services. Health insurance can be acquired through various channels, including employer-sponsored programs or private insurers. Individuals may also obtain coverage by contacting insurance companies directly or through a health insurance agent. Health insurance is crucial because it helps an individual afford the high cost of medical care. Without it, a severe illness or injury could lead to significant financial hardship. For those with limited financial resources, having even minimal health insurance is better than no coverage at all.

Health insurance provides:

- access to necessary medical services

- financial protection against high medical costs
- preventive care to help maintain your health
- peace of mind knowing you are covered in emergencies

3. Long-Term Disability Coverage

While health insurance covers medical expenses, it does not address the financial shortfall created by the absence of a paycheck. Disability insurance fills this gap by providing income replacement. Many employers include both short- and long-term disability coverage in their benefits packages, often making employer-sponsored plans the most cost-effective option. Long-term care insurance covers expenses for long-term care services, such as nursing home care or home health care, which is not typically covered by health insurance.

For individuals whose employers do not offer long-term disability insurance, purchasing a policy independently is a viable alternative. When considering this option, it is essential to evaluate the following:

- income replacement: the most comprehensive policies replace 40% to 70% of income.
- cost considerations: premiums are influenced by factors such as age, health, and lifestyle. On average, the cost ranges from 1% to 3% of annual earnings.
- policy terms: thoroughly review the details; many policies impose a 3 month waiting period before benefits begin, limit coverage duration to 3 years, and include specific exclusions.

Long-term disability insurance ensures financial stability in the event of unforeseen circumstances, making it a crucial consideration for long-term financial planning.

4. Auto Insurance

Auto insurance provides financial protection against losses related to owning and operating a vehicle. It covers damages to the car, liability for injuries and property damage an individual causes to others, and medical expenses for injuries sustained in an accident.

When purchasing car insurance, there are several coverage options available:

- liability coverage: this is typically required by law and covers bodily injury and property damage an individual causes to others in an accident.
- collision coverage: this pays for damage to one's car resulting from a collision with another vehicle or object.
- comprehensive coverage: this covers non-collision-related damages, such as theft, vandalism, natural disasters, and hitting an animal.

- personal injury protection (pip): this covers medical expenses and an individual and the accompanying passengers, regardless of who is at fault in an accident.
- uninsured/underinsured motorist coverage: this protects an individual who is involved in an accident with a driver who has no insurance or insufficient coverage.

There are, of course, other insurances policies such as home insurance. This is designed to assist with the cost of repairing or replacing a home or apartment in cases of damage caused by events such as fire, burglary, theft, or flooding. It also offers coverage for liability, protecting against injuries or property damage that might occur to others on the property. Home insurance is essential because it can help mitigate the financial burden of repairs or replacements, while providing security and peace of mind in the face of unexpected events or disasters.

In general, insurance premiums are generally influenced by various factors, such as the driver's situation, age, driving record, and location. It is advisable to compare rates from different providers, review the coverage options, and periodically check if lower rates are available based on personal factors.

What is a private pension?

In developed countries, private pension funds have effectively complemented public pension systems for over a century. Nations like the Netherlands, Germany, Denmark, Switzerland, Australia, Chile, Canada, and the Scandinavian countries, among others, have seen multiple generations benefit from having supplementary private pensions in addition to state pension schemes based on intergenerational solidarity.

In recent decades, global studies highlight significant demographic challenges faced by modern societies: birth rates are declining, while the average age of the population is rising. In other words, the populations of many countries are shrinking, and at the same time, the global population is aging. These trends have also impacted public pension systems, which rely on a much larger working population contributing to support a smaller retired population. As a result, many countries have reformed their public pension systems, reducing benefits and continuously raising the retirement age.

Romania is not immune to these global and European trends—in fact, the country is experiencing them acutely. Research from institutions like the World Bank, the International Monetary Fund, the United Nations, the European Union, the European Bank for Reconstruction and Development, and national studies all indicate the same pattern: *Romania's*

population is declining and aging rapidly, a trend that, without significant reforms, could lead to a demographic crisis.

The decline and aging of the population place increasing pressure on the public pension system, which must support an ever-growing number of retirees with fewer contributors. Romania's demographic issues show that the current public pension system is no longer sustainable in its present form and requires comprehensive reform to avoid collapse in the coming decades.

In many European countries (such as **Bulgaria**, **Romania** and **Lithuania**), in addition to the public pension system (Pillar I), ***mandatory private pension funds*** (Pillar II) and ***voluntary private pension funds*** (Pillar III) have been introduced.

Pillar II (or *mandatory private pension funds*) involves directing a portion of the social insurance contributions paid to the public budget towards private pension funds, which continuously accumulate and invest these funds. The money accumulated in Pillar II belongs to the individuals who contribute to the system, much like a bank account or other financial assets. Pillar III (or *voluntary private pension funds*) operates similarly, with one key difference: contributions are not redirected from the public budget, but are voluntarily paid by employees and/or their employers. Contributions to voluntary pension funds benefit from tax deductions (In Romania it is up to 400 EUR per year for both employees and employers) to encourage private saving.

All EU member states and OECD countries have private pension systems. In at least half of the EU and OECD countries, mandatory or semi-mandatory private pension funds operate in a similar way to Romania's system.

Joining a privately managed pension fund

To join a privately managed pension fund, it is important to first evaluate factors such as the level of risk, management fees, investment policies, portfolio composition, and the performance of the fund's authorized administrators. It is also necessary to consider the transfer fee. After this assessment, a decision can be made based on personal preferences regarding risk and return (investment profile), as well as the responsiveness of the administrator to inquiries and the availability of information tools regarding the status of the account (e.g., regular email updates, an online platform for monitoring accumulated amounts, etc.).

Once a decision is made regarding which pension fund to join, the next step is to contact a representative of the selected fund or a marketing agent for the administrator. This will be followed by signing the membership agreement, which must be completed and signed by the employee, the fund administrator, and the marketing agent. The agreement should include a unique number assigned by the Financial Supervisory Authority, as well as the administrator's logo and contact information. It is important to note that each participant can only sign one membership agreement with one fund administrator.

Lastly, after signing the agreement, it is advisable to stay in contact with the marketing agent through whom the membership was made and remain informed about the benefits, performance of investments, as well as your rights and obligations.

When choosing a pension plan, several key factors must be carefully considered. See Figure no. 7.2.

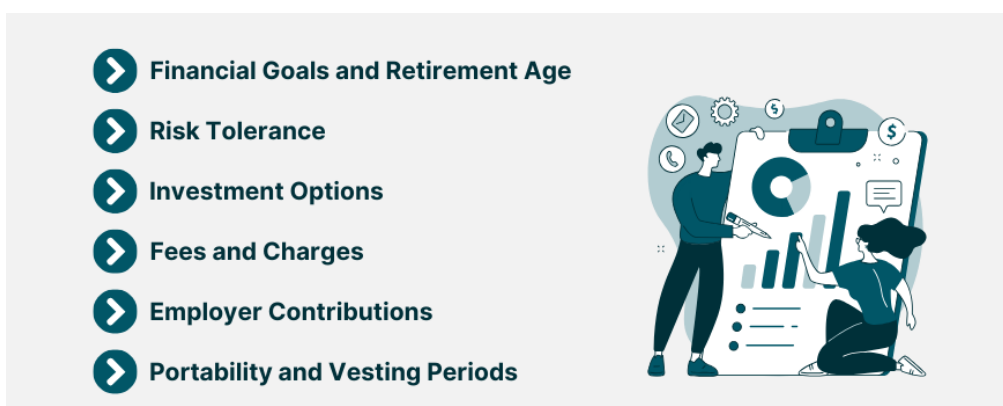


Figure no. 7.2 – Factors to Consider When Choosing a Pension Plan

Source: <https://www.financestrategists.com/retirement-planning/qualified-retirement-plans/defined-benefit-plan/how-to-choose-a-pension-plan/>

Financial goals and the desired retirement age are fundamental, as the plan should align with retirement aspirations and the feasibility of retiring at the chosen age. Risk tolerance is also crucial, as those with a higher risk appetite may prefer plans with potentially higher returns, such as defined contribution plans, while conservative investors might opt for more stable options like defined benefit plans. The range of investment options within the plan plays a significant role as well, with a diverse portfolio helping to mitigate risks and improve the chances of higher returns over time. Additionally, it's essential to understand the fees and charges associated with the plan, as high fees can erode savings in the long run. Employer contributions, particularly those with matching programs, can greatly enhance retirement savings, making them an important factor to consider. Finally, portability and vesting periods

are critical for job-changers, as portability allows for the transfer of pension benefits between employers, while vesting periods determine when one becomes entitled to the pension benefits based on the length of employment.

Advantages of joining a privately managed pension fund

The primary advantage of private pensions is the *supplementary income* they provide, which can be accessed upon retirement. For Pillar II, this is not paid directly by the individual, but instead, the government transfers the contribution on behalf of the individual from the social insurance paid each month. It serves as an investment vehicle that helps accumulate additional income for retirement, alongside the state pension.

Another significant benefit is that the accumulated amount in the account can be monitored from the first month of participation in a pension fund. *Transparency* is a key feature of private pensions. The pension law requires transparency, which is ensured through periodic reports posted on the company's website. These reports provide detailed information about the investment portfolio, participant structure and numbers, gross contributions received, return rates, net asset value, unit value, and financial statements for both semi-annual and annual periods. The annual report from the fund administrator will also provide an overview of the fund's management activities for the previous calendar year, allowing individuals to monitor their pension investments regularly.

Another advantage of private pensions is that *accumulated funds can be withdrawn* by the beneficiary in two ways: a) in full, via bank transfer or postal mandate. b) in installments over a maximum period of five years.

Additionally, funds can be withdrawn by the beneficiary in three situations:

- upon reaching retirement age, according to the current legislation.
- in the event of disability, as defined by the public pension law.
- in case of the participant's death, the funds can be claimed by legal heirs.

Some facts about the pension system in Bulgaria, Lithuania and Romania¹⁸

All three pension systems from these countries are organized around three pillars.

¹⁸ see also https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Financial_corporations_-_statistics_on_financial_assets_and_liabilities.

In **Bulgaria**, the 1st pillar is financed by a contribution rate (employer and employees) of 14.8% of the gross insurable income for individuals born after 1959 and 19.8% for individuals born in 1959 or before. The 2nd pillar is a defined contribution system managed by licensed private pension providers. It is mandatory for individuals born after 1959 and funded by a contribution rate of 5%. The third pillar is a voluntary defined contribution system managed by licensed private pension providers¹⁹.

In **Lithuania**, with regard to the 1st pillar, employers pay 21.2% of gross wages for pensions, and employees contribute 2.5%. Possibilities for early retirement were re-introduced in 2004 after having been abolished in 1995, but they only apply to people who have been unemployed for a long time. If people retire early, their pension benefits are reduced. Similar to mandatory second pillar systems in other Eastern European states, contributions to the second pillar are diverted from social security contributions to pension funds. In 2004, 2.5% of gross wages were redirected into the funded pillar, and this share has been gradually increased to 5.5% in 2007. Third pillar pensions are fairly underdeveloped in Lithuania. Private individual pensions were introduced in 2004. Individuals and their employers can contribute to voluntary pension funds. Contributions are tax-free up to 25% of annual income, and any amount above that level is taxed at a reduced rate of 15% (rather than the regular rate of 27%)²⁰.

In **Romania**, total pension contributions amount to 25% of the gross monthly salary and are directed to the social insurance budget. Of this total, 20.25% is allocated to the 1st pillar, while 4.75% is directed to the 2nd pillar. The 2nd pillar was introduced in 2008. Under this scheme, 4.75% of the gross monthly salary is transferred to an individual private pension account. These contributions are converted by the pension fund administrator into fund units, making participants holders of such units. The contributions are then invested in financial instruments outlined in the fund's prospectus, including deposits, government securities, corporate and municipal bonds, mutual funds, and shares listed on regulated markets. Unlike the 2nd pillar, which is mandatory, the 3rd pillar is optional. Contributions of up to 15% of gross monthly salary can be made to this voluntary savings component, supplementing the incomes provided by the first and second pillars. Contributions to voluntary pension funds are tax-deductible, up to the equivalent of 400 euros per fiscal year, based on the individual enrollment agreement and payment documentation²¹.

¹⁹ <https://www.imf.org/-/media/Files/Publications/Selected-Issues-Papers/2024/English/SIPEA2024021.ashx>

²⁰ <https://www.pensionfundsonline.co.uk/content/country-profiles/lithuania/87>.

²¹ <https://www.metropolitanlife.ro/despre-noi/blog/economii-pentru-un-viitor-mai-sigur/ghidul-pensiilor-totul-despre-pensia-privata/>.



Reflect & Discuss

Consider your personal or family situation. What types of insurance do you think are essential for your current life stage (e.g., life, health, auto, disability)? Why?

Discuss the potential consequences of not having insurance coverage in the event of an unexpected life event (e.g., serious illness, accidents, or loss of income).

Think about a scenario where you or someone close to you experienced a major financial setback due to a lack of insurance (e.g., car accident, medical emergency, or property damage). How could having the right insurance have changed the outcome of that situation?

Reflect on the pension systems in your country. How do public pensions differ from private pensions, and why is it important for individuals to supplement their public pension with private options?

When considering joining a private pension fund (like Pillar II or Pillar III), what are some of the factors you would prioritize (e.g., fees, risk, investment options)? Why?

Do you think people are generally well-prepared for retirement, or do most individuals neglect to plan ahead for their later years? What steps can you take now, at your current age, to ensure a secure retirement in the future?

Compare the costs of different types of insurance (e.g., life, health, auto, and disability). How does this affect an individual's budget and financial goals?

Many countries have shifted to private pension funds in response to demographic changes. How do you think this shift affects individuals, especially younger generations? What challenges might arise from relying more on private pensions for retirement security?

Non-formal education exercises

Insurance Comparison – "Protecting Your Assets"

Situation:

Elena wants to insure her car and is comparing two policies:

1. **Basic Plan:** Covers accidents up to **10,000 euros**, annual premium of **300 euros**, deductible of **500 euros**.

2. **Comprehensive Plan:** Covers accidents up to **20,000 euros**, annual premium of **500 euros**, deductible of **200 euros**.

Requests:

1. Compare the two insurance policies based on coverage, premiums, and deductibles.
2. Recommend the best plan for Elena, considering her budget and driving habits.
3. Discuss the importance of insurance in financial planning and how it can prevent financial loss.

8. Entrepreneurship and Financial Independence

Objective

... to provide readers with some fundamentals regarding entrepreneurship and entrepreneurs.

Learning outcomes:

- understanding what entrepreneurship is.
- describing the particularities of the four main types of entrepreneurship.
- comprehending the top ten finance tips for entrepreneurs to attain financial independence.

What is an entrepreneur?

An entrepreneur is an individual who establishes a new business, assuming, in the process, significant risks and reaping most of the rewards. The act of starting a business is referred to as *entrepreneurship*.

Entrepreneurs are crucial to economic systems, as they use their skills and initiative to identify needs and introduce new ideas to the market. Successful entrepreneurship, which involves managing the risks associated with launching a startup, often leads to profits and growth opportunities²².

Economists categorize entrepreneurship as one of the four key resources in production, alongside land or natural resources, labor, and capital. Entrepreneurs combine these resources to produce goods or offer services. Typically, they develop a business plan, hire employees, secure resources and financing, and provide leadership and management for the enterprise.

Three key economists (Joseph Schumpeter, Frank Knight, and Israel Kirzner) played significant roles in integrating entrepreneurship into economic theory. Schumpeter argued that entrepreneurs, not just companies, were responsible for creating innovations in pursuit of profit. Knight viewed entrepreneurs as the bearers of uncertainty and believed they were crucial for determining risk premiums in financial markets. Kirzner defined entrepreneurship as a process that uncovers opportunities.

In the present day, entrepreneurs commonly encounter several challenges when building their businesses. Among the most frequently mentioned obstacles are navigating bureaucratic processes, hiring the right talent, and securing funding.

²² <https://calosba.ca.gov/what-is-an-entrepreneur-and-why-do-we-need-them/>.

Four main types of entrepreneurship

There are four main different types of businesses and business structures entrepreneurs can create²³.

1. Small Business

Small business entrepreneurship involves starting a business with the intention of keeping it relatively small and independent, rather than expanding into a large corporation or operating multiple locations. Examples include a single-location restaurant, a local grocery store, or a retail shop selling products or services. Individuals who pursue small business entrepreneurship often invest their own funds and earn income through the profits generated by the business. They may not seek external investors and typically only take out loans if necessary to sustain or grow the business.

Almost all of the businesses operating in the European Union are categorized as micro or small, defined as employing fewer than 50 people. Only 0.2% of enterprises are ‘large’ (employing 250 people or more) and 0.8% are ‘medium-sized’ – defined as 50-249 employees Eurostat’s data on 2022, shows the breakdown by business size (See Figure no. 8.1).

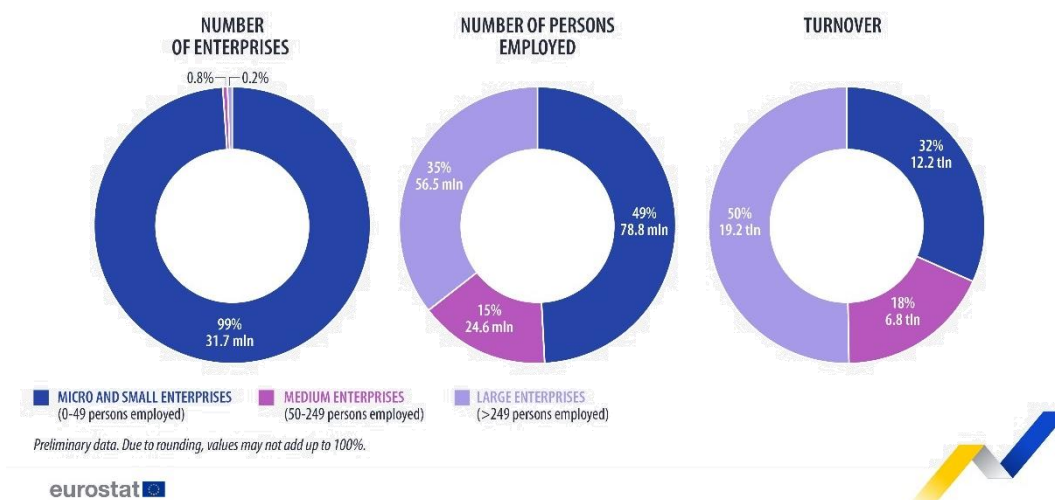


Figure no. 8.1 – Business economy by size class in 2022 (% of size class, absolute values)

Source: <https://ec.europa.eu/eurostat/>

Globally, small and medium-sized enterprises (SMEs) make up about 90% of businesses and over half of all employment, according to the World Bank. With the EU, SMEs make up

²³ <https://cfe.umich.edu/4-types-of-entrepreneurship-which-one-is-right-for-you/>.

99.8% of the total enterprises in the bloc, and are responsible for over 100 million jobs. SMEs are at the heart of innovation and entrepreneurship. The ideas and solutions of 24,3 million entrepreneurs, women and men, contribute to a sustainable and digital economy, central to Europe’s competitiveness. It’s clear why the EU views SMEs as “the backbone of Europe’s economy”, and “essential to Europe’s competitiveness and prosperity, industrial ecosystems, economic and technological sovereignty, and resilience to external shocks”.

Eurostat also breaks down turnover into four categories: industry, construction, trade and other services (see Figure no. 8.2). Industry had the most turnover of all categories in 2022, responsible for 35% of net turnover, compared with 29% for trade, 6% for construction and 30% for other services. ‘Other services’ include transportation, accommodation, education, social work and entertainment. This sector employs more than 80 million people, which is over half of all EU employees.

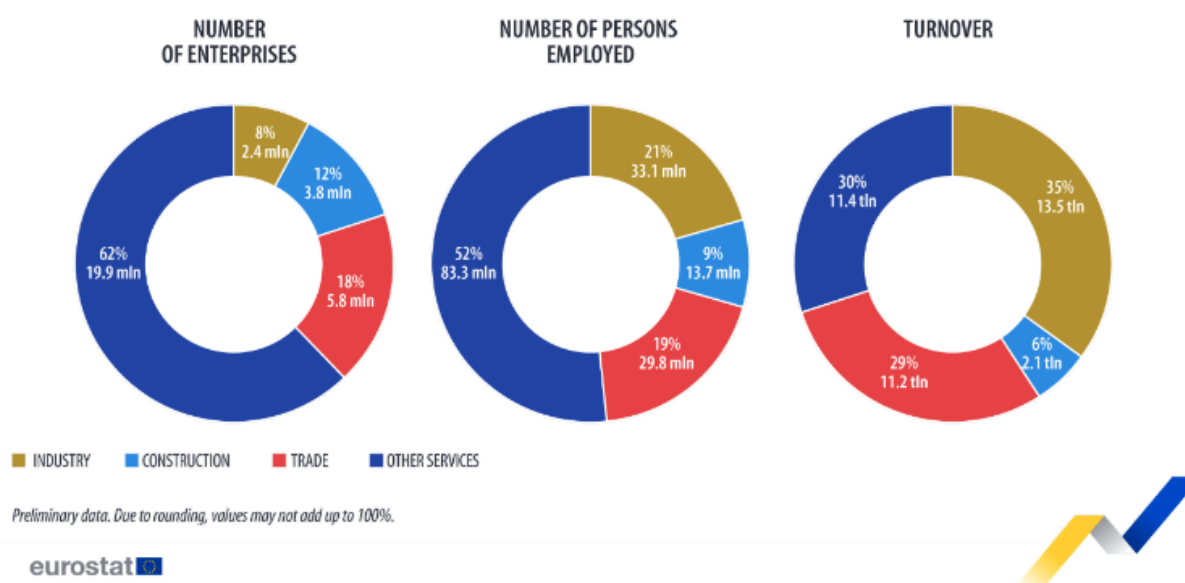


Figure no. 8.2 – Enterprises, employment and net turnover by sectors (% of sector in total economy, absolute values)

Source: <https://ec.europa.eu/eurostat/>

2. Scalable Startup

Scalable startups are businesses that begin with an innovative idea and have the potential to expand significantly over time. These businesses aim to develop a unique product or service that can be rapidly scaled across multiple markets, much like tech companies in Silicon Valley.

Scalable startup entrepreneurship involves launching a business with the aim of achieving *rapid growth* and *substantial profitability*. This type of entrepreneurship often requires external funding and careful strategic planning, focusing on innovative business models that are designed to scale quickly and attract significant investment for expansion.

Scalable startup entrepreneurship is a high-risk, high-reward approach where businesses are launched on a smaller scale with the vision of rapidly scaling and becoming highly profitable. Entrepreneurs pursuing this model must develop a compelling, scalable business plan to attract large investments from venture capitalists, ensuring the business can grow exponentially.

According to Forbes, approximately 80% of new businesses fail, and while the reasons for this may differ, a common theme emerges: many entrepreneurs lack certain critical qualities. These qualities are often considered the fundamental pillars of entrepreneurship. Although the specific traits might vary based on the type of business or personal experiences, these four core attributes are essential for success in any entrepreneurial venture.

One of the key qualities for success is *the ability to recognize opportunities*. Entrepreneurs need to be skilled at identifying trends and understanding the needs of customers. By spotting gaps in the market, they can address problems people face, offering solutions that meet unmet demands. Successful entrepreneurs are constantly observing their surroundings and adapting to changes, ensuring their business aligns with what customers require.

Equally important is *effective resource management*. Resources are fundamental to the survival of any business, similar to how fuel is necessary for an engine to run. If resources are not properly managed, the business will inevitably face challenges. Entrepreneurs must possess the knowledge and skills to efficiently utilize available resources (whether financial, human, or physical) ensuring smooth operations and sustainable growth.

Innovation and creativity also play a pivotal role in entrepreneurship. In order to stand out in a competitive market, entrepreneurs must be able to develop new products or services that differentiate their business from others. Creativity allows entrepreneurs to offer unique solutions that attract customers, while innovation ensures they stay ahead of the curve in a constantly changing business environment.

Lastly, *risk management* is crucial in entrepreneurship. Starting a new business inherently involves taking risks, and for many entrepreneurs, the venture is based on a unique idea with

few precedents to follow. However, understanding how to manage risks greatly increases the chances of success.

3. Large Company

Large company entrepreneurship involves the creation of a new business division within an established company. This can occur when the parent company has the resources and positioning to expand into new sectors or technologies. In such cases, CEOs or employees within the company recognize new market opportunities or innovative ideas, which are then presented to senior management to be developed and launched as new business ventures.

This approach focuses on identifying fresh business opportunities, fostering innovation, and executing growth strategies, all while utilizing the company's existing resources, infrastructure, and market influence. The concept of large-company entrepreneurship can differ depending on the country and the regulations in place.

One of the primary advantages of this type of entrepreneurship is the access to significant financial resources, which allows for greater investment in new initiatives. Additionally, large companies benefit from their established market presence and extensive networks, making it easier to expand and reach new customers. The existing infrastructure within the company also provides a solid foundation for launching new ventures, minimizing the challenges that smaller startups often face.

However, large-company entrepreneurship is not without its challenges. Bureaucratic processes can slow down decision-making and the implementation of new ideas. Furthermore, there may be resistance to change within the company, especially if the new initiatives threaten existing structures or processes. This can lead to a lack of flexibility and innovation, as the size and stability of the company might inadvertently stifle creativity.

It's important to recognize that large-company entrepreneurship represents just one type of entrepreneurship. The nature of entrepreneurship can vary based on the size of the business, the industry in which it operates, and the specific objectives of the entrepreneur.

Examples of large company entrepreneurship in both offline and online contexts include:

- Google's Alphabet structure: Google reorganized itself into a holding company called Alphabet, allowing its various business units to operate independently and pursue innovative projects while benefiting from the larger organisation's resources and expertise.

- Amazon's expansion into new markets: Amazon has continuously expanded its business beyond e-commerce, venturing into cloud computing (Amazon Web Services), artificial intelligence (Alexa), and even physical retail (Amazon Go), demonstrating its entrepreneurial spirit as a large company.

- Apple's foray into wearables: Apple leveraged its expertise in consumer electronics to enter the wearables market with the Apple Watch, creating a new product category and revenue stream for the company.

- Tesla's vertical integration: Tesla has disrupted the automotive industry by vertically integrating its operations, from manufacturing to sales, and focusing on electric vehicles and renewable energy, showcasing entrepreneurship within a large company setting.

See Figure no. 8.3, where the most valuable corporations in 11 major EU economies were mapped, based on their market capitalizations as of April 15th, 2024. All figures are in USD, and were sourced from Companiesmarketcap.com.



Figure no. 8.3 – Most Valuable Companies in the EU, by Country, in 2024

Source: <https://www.visualcapitalist.com/most-valuable-companies-europe/>

4. Social Entrepreneurship

Social entrepreneurship focuses on creating positive social or environmental impacts rather than prioritizing profit. These businesses aim to address societal issues or contribute to the well-being of communities and the environment through their products, services, or initiatives. The primary goal of social entrepreneurship is to make a difference in the world, rather than to generate financial gain.

A social entrepreneur is a person who pursues novel applications that have the potential to solve community-based problems. These individuals are willing to take on the risk and effort to create positive changes in society through their initiatives. Social entrepreneurs may believe

that this practice is a way to connect you to your life's purpose, help others find theirs, and make a difference in the world (all while eking out a living).

There are various types of social entrepreneurs, each with unique goals and approaches to addressing societal issues. These include *community social entrepreneurs*, *non-profit social entrepreneurs*, *transformational social entrepreneurs*, and *global social entrepreneurs*.

- ***Community social entrepreneurs*** focus on the needs of a specific geographic area, often their local community. The primary aim of this type of entrepreneur is to improve their immediate surroundings, with less emphasis on the nature of the venture itself. Strong relationships are often built within the community to ensure that resources are effectively distributed and the needs of the area are met. Collaboration between community members, local organizations, and the entrepreneur is key to creating meaningful partnerships and fostering growth.

- ***Non-profit social entrepreneurs***, which are one of the most common types of social entrepreneurs, focus on broad goals that benefit society rather than just a particular community. With the rise of remote and online platforms, it has become easier to establish entities with global missions. These social enterprises operate similarly to businesses, but instead of generating profits for investors, any surplus earnings are reinvested into the programs and services they offer. The focus of non-profit social entrepreneurs is to use their resources to further their mission, ensuring that as much money as possible is directed toward the cause.

- As non-profit ventures expand, they may evolve into ***transformational social enterprises***. This transition occurs when the scope of the mission grows beyond a single program and begins to benefit a wider range of areas. A transformational social entrepreneur aims to scale their operations, much like how Goodwill expanded from a small local charity to a larger, more complex organization with a broader impact.

- ***Global social entrepreneurs*** are not constrained by geographic boundaries and often address issues that affect people worldwide, such as poverty, mental health, or inadequate living conditions. While these entrepreneurs may begin their work in specific regions, the challenges they aim to solve are often global in nature. Solutions found in one area can frequently be applied to others, making these types of social enterprises particularly impactful. A prominent example is the Bill & Melinda Gates Foundation, which works globally to find solutions to various health issues and diseases, exemplifying the reach and influence of global social entrepreneurship.

Just to get an idea, there are some 2.8 million social economy entities and enterprises in Europe, employing together around 13.6 million people. The share of the social economy in paid employment varies between 0.6% and 9.9% amongst Member States. Inclusive entrepreneurship aims to ensure that all people, regardless of their personal characteristics and background, have equal opportunities to create and run a business. There is an ongoing study on the needs, challenges, and opportunities experienced by social enterprises across Europe (and can be accessed at https://social-economy-gateway.ec.europa.eu/european-social-enterprise-monitor-its-time-have-your-voice-heard-euclid-network-2023-12-01_en).

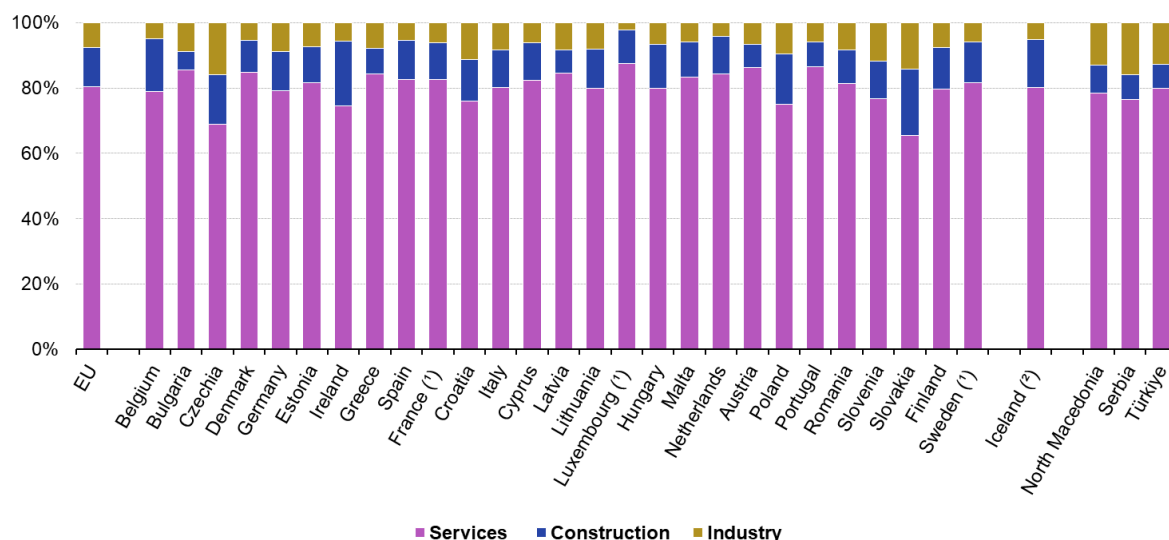
The business demography in Bulgaria, Lithuania and Romania²⁴

In 2022, more than 32 million active businesses were operating in the EU, employing approximately 160 million people. France had the largest number of active enterprises, with 5.2 million, followed by Italy with 4.6 million, Spain at 3.5 million, and Germany at 3.2 million. Consistent with prior years, the services sector remained the most prominent in each country, accounting for the highest share of active businesses.

2022, the services sector dominated the EU business economy, comprising over three-quarters (80.4%) of all active enterprises and employing more than two-thirds of the workforce (refer to Figure 8.4). The share of service-based enterprises varied across member states, ranging from 65.5% in Slovakia to 87.6% in Luxembourg. In **Bulgaria**, services represented 85.49% of all enterprises, while in **Lithuania** and **Romania**, the sector accounted for 80.02% and 81.43%, respectively.

²⁴ https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Business_demography_statistics.

BUDGET TIME: O PERSPECTIVĂ NON-FORMALĂ ASUPRA EDUCAȚIEI FINANCIARE



(1) break in time series

(2) estimated

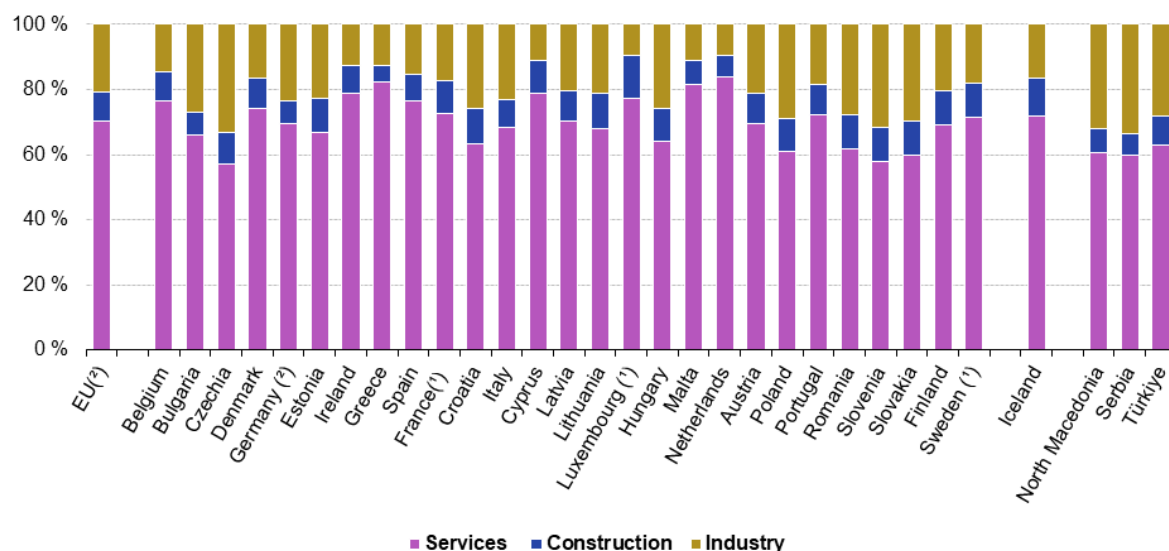
eurostat

Figure no. 8.4 – Structure of active enterprises by sector, business economy, 2022 (%)

Source: [https://ec.europa.eu/eurostat/statistics-](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Business_demography_statistics)

[explained/index.php?title=Business_demography_statistics](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Business_demography_statistics)

Regarding its role in employment, the services sector accounted for 57.2% of the workforce in Czechia, while the Netherlands recorded the highest share at 84.0%. In **Bulgaria**, approximately 66.06% of the total workforce was employed in the services sector, compared to 68.14% in **Lithuania** and 61.91% in **Romania** (see Figure 8.5).



(1) break in time series

(2) estimated

Source: Eurostat (online data code: bd_size)

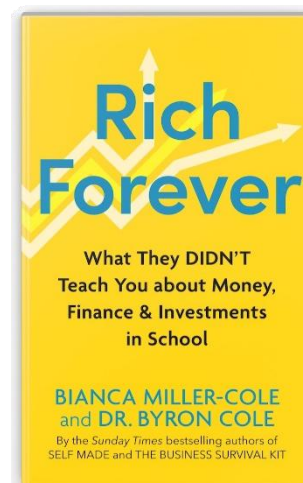
eurostat

Figure no. 8.5 – Structure of employment by sector, business economy, 2022 (%)

Source: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Business_demography_statistics

Top ten finance tips for entrepreneurs²⁵

Starting a business is both an exciting and challenging endeavor. While many business students or graduates develop strategic and management skills, financial management can often be overlooked. Establishing strong financial habits from the outset is essential for ensuring long-term success. Bianca Miller-Cole and Byron Cole, the authors of *Rich Forever: What They Didn't Teach You about Money, Finance & Investments in School*, offer 10 tips to help anyone get on the right track from day one.



1. The first essential step is **creating a solid business plan**. A well-structured business plan, or business model canvas, acts as a roadmap for growth and success. It should include detailed financial projections, such as revenue forecasts and expense estimates, as well as a personal survival budget and cash flow analysis. A comprehensive business plan not only helps secure funding but also provides clarity on financial goals and how to achieve them. However, it is important to remember that a plan is just the starting point (action must follow).

2. Another critical practice is **separating personal and business finances**. Many new entrepreneurs make the mistake of mixing their personal and business finances, which can lead to confusion, tax complications, and difficulty tracking business expenses. By establishing a dedicated business bank account, entrepreneurs can ensure better financial organization, transparency, and easier financial management.

3. Closely **monitoring cash flow** is also essential for any business. Cash flow is crucial for meeting expenses, investing in growth, and navigating financial challenges. Entrepreneurs should create cash flow projections and regularly review their income and expenses. It is also helpful to proactively manage outstanding invoices and build a cash reserve for unexpected costs or periods of reduced revenue.

4. Keeping **detailed and accurate records** is another vital financial habit. Organized financial records help with making informed business decisions, preparing tax returns, and attracting potential investors. Using accounting software to track income, expenses, and

²⁵ <https://www.amba-bga.com/insights/10-top-finance-tips-for-entrepreneurs>.

financial transactions can streamline financial reporting and analysis, saving time and reducing stress.

5. ***Budgeting wisely*** is a foundational practice that helps control spending and allocate resources effectively. Entrepreneurs should create a detailed budget outlining expected income and expenses and review it regularly to identify potential areas to reduce costs or reallocate resources to growth initiatives. Maintaining a strict budget helps prevent overspending and supports financial discipline.

6. ***Setting aside emergency funds*** is another important step in achieving financial stability. Unexpected expenses or economic downturns can threaten the financial health of a business if it is not prepared. By establishing an emergency fund to cover at least three to six months of operating expenses, a business is better equipped to weather financial storms and maintain its operations.

7. ***Understanding taxes*** is crucial for all business owners. Taxes can be complex, but taking the time to understand tax obligations specific to the business structure and industry will prevent costly mistakes. Consulting with an accountant can help ensure that all available deductions and credits are utilized, potentially minimizing tax liabilities.

8. ***Investing in financial education*** is another ongoing process for entrepreneurs. Business students and graduates likely recognize the value of continuous learning. Attending workshops, seminars, or online courses focused on financial management can significantly improve financial literacy, empowering entrepreneurs to make informed financial decisions.

9. ***Seeking professional guidance*** is essential when necessary. Accountants, financial advisors, and business consultants provide valuable insights that can help entrepreneurs make well-informed decisions about their finances. Building a network of trusted financial experts can be a great asset as a business expands and grows.

10. Finally, ***planning for growth*** is crucial. While day-to-day financial management is necessary, entrepreneurs must not lose sight of their long-term financial goals. A well-developed growth strategy, with specific financial milestones and objectives, is key to tracking progress and ensuring that the business stays on course to meet its goals.

In summary, financial management is an ongoing process that requires continuous learning and adaptation. By implementing the habits outlined above (such as creating a solid business plan, separating personal and business finances, monitoring cash flow, and more)

entrepreneurs can set their ventures on the path to financial success. Maintaining discipline and a focus on long-term growth will be central to achieving lasting success in entrepreneurship.



Reflect & Discuss

How would you personally define an entrepreneur? Is it always about creating something new, or could it also involve improving existing businesses?

Which type of entrepreneurship do you think suits your personality or skill set the best? Small business, scalable startup, large company, or social entrepreneurship?

Based on the obstacles mentioned (bureaucracy, hiring talent, securing funding), what do you think is the biggest challenge for a new entrepreneur, and how might they overcome it?

Which of the four qualities for success (recognizing opportunities, resource management, innovation and creativity, and risk management) do you think is most important, and why?

Social entrepreneurship aims to solve societal problems rather than focusing solely on profit. Do you think it is possible to balance financial success with making a positive social impact? How?

Which of the top finance tips for entrepreneurs do you think would be the hardest to implement and why?

Why is it important for entrepreneurs to have a long-term growth strategy, and how can they balance this with the day-to-day financial management of their business?

Non-formal education exercises

1. Role-Playing Activities – "The Financial Marketplace"

Situation:

Participants take on roles in a simulated marketplace:

- **Entrepreneurs** pitch business ideas to attract investors.
- **Investors** decide where to allocate **50,000 euros** for maximum return.
- **Consumers** evaluate products and decide where to spend their limited monthly

budget of **1200 euros**.

Requests:

1. Entrepreneurs must create a compelling pitch explaining their product/service and financial projections.
2. Investors must ask critical questions and choose one business to support.
3. Consumers must compare products and explain their purchasing decisions.

2. Financial Independence

Teams must sort a list of rules or strategies for achieving financial independence, from most to least effective.

Rules:

- Teams must solve each challenge before moving on to the next location.
- If they solve the challenge quickly or correctly, they will receive a bonus or extra "money."
- Teams will compete to arrive at the final destination first, with prizes awarded based on completion times and the amount of money earned.

This treasure hunt is not only a fun competition but also an engaging way to review important financial concepts.

3. Group work to examine types of employment (group work)

Age: 18-24

Group size: Max 20, best with 16 or less

Materials: pens and paper

Time: 10-15 minutes with discussion

Divide the group into two teams and give them a 5-minute task. The group on the left should list all the benefits and downsides of being employed on a long-term contract by a company. The group on the right should list all the benefits and downsides of being self-employed or a freelancer.

Notes for the trainer - to summarize and complete after the brainstorming

Employee (Traditional Employment)

Benefits:

- **Stability:** A regular paycheck and benefits like health insurance and retirement contributions offer financial security.
- **Clear work-life balance:** Set hours and typically more predictable schedules help balance work and personal life.
- **Employee rights and protections:** Legal protections around minimum wage, health and safety, and workplace discrimination.
- **Training and development:** Employers often provide training, mentorship, and opportunities for career progression.
- **Less risk:** Employees don't have to worry about business expenses, taxes, or finding clients.

Downsides:

- **Limited flexibility:** You have to adhere to a set work schedule and may not have the flexibility to choose when and where you work.
- **Less control over work:** You may have limited autonomy over how you perform tasks or manage your career.
- **Fixed income:** Salaries are often fixed, with limited potential for immediate growth, especially early in a career.
- **Limited tax deductions:** As an employee, you can't write off expenses that could be deductible for self-employed individuals.

Self-employed (Freelancer, Entrepreneur, or Business Owner)

A self-employed person works for themselves, running their own business, offering services, or selling products directly to clients.

Benefits:

- **Flexibility:** You have more control over when and where you work, and the freedom to choose your clients or projects.

- Unlimited earning potential: Your income is not fixed. If you're successful, your earnings can grow without limits.
- Independence: You have complete control over your work and decisions, including setting rates and business direction.
- Tax benefits: Self-employed individuals may be able to deduct a variety of business expenses, such as home office costs, equipment, or travel.
- Creative freedom: You can pursue your own ideas and passions without being limited by company policies or restrictions.

Downsides:

- Income uncertainty: Your income can fluctuate, and there might be months with little to no work.
- Lack of benefits: You don't receive benefits like health insurance, retirement contributions, or paid vacation, which you would get as an employee.
- Administrative work: You're responsible for managing your business's taxes, bookkeeping, and legal requirements, which can be time-consuming and complicated.
- Higher risk: Self-employed individuals bear the risk of business failure, especially if demand for their services or products drops.
- Isolation: You might miss the social aspects of working in a team, especially if you're working as a freelancer alone.

4. The Strength of Giving Back: How Volunteering and Finance Intersect

Activity: "Your Volunteer Impact"

- **Goal:** Get participants to reflect on their past experiences with volunteering or giving back.

- **How:** Ask each participant to share a brief story or example of a time they volunteered or helped someone in need. It could be as simple as helping a neighbor or organizing a school event. This sets the tone for the session by reinforcing that everyone can contribute, regardless of financial means.

5. Activity: "Skills You Gain from Volunteering"

- **Goal:** Show how volunteering can help teens build skills that enhance their financial well-being in the future?

- **How:** Present the key skills gained through volunteering that are also beneficial for managing money:

- **Budgeting:** Managing a budget for a charity event or fundraiser.
- **Planning:** Organizing community projects or campaigns.
- **Networking:** Building relationships that could lead to career opportunities.
- **Leadership & Teamwork:** Leading or working with teams to achieve goals.

After presenting, ask participants to break into small groups and come up with other financial skills they think could be developed through volunteering (leadership, team work, time management, empathy, planning skills, etc.). Let them share their thoughts and discuss how these skills could positively impact their financial futures, it can be already mentioned skills or new ones. They can also come up with different ones they might gain during volunteering activities.

6. Activity: “The Impact of Giving”

- **Goal:** Discuss the idea of financial donations and how small contributions can make a big difference.

- **How:** Provide examples of how people with varying financial means can give back:
 - People with limited resources might volunteer their time.
 - People with more disposable income might donate money or other resources.

Use examples from well-known organizations or local charity campaigns. Break down the impact of different levels of giving:

- How a small donation adds up (e.g., \$10/month = \$120/year to a charity).
- How time donated (e.g., 5 hours a week) can be worth much more than money.

Ask participants to create a small, personal “giving plan,” where they identify one thing they could do each month to either donate money, time, or skills. It can be their time, personal skills, various activities and talents. Lead a discussion or group activity about how volunteering can enhance career opportunities, such as internships or networking for future jobs, which might lead to better-paying opportunities.

- Ask them to reflect: "How does volunteering relate to future financial growth? Can volunteering lead to a job?"
- Present how skills gained through volunteering (such as project management, public speaking, or fundraising) are valuable on resumes, and employers often value community engagement.

7. Activity: “The Charity Budget Challenge”

- **Goal:** Teach how financial planning and budgeting can help maximize the impact of a charitable cause.

- **How:** Divide participants into small groups and assign them the task of planning a simple charitable event (e.g., a bake sale, a fundraiser, a community clean-up project). They need to consider:

- **Event Costs:** How much money will be required to organize it (location, food, materials)?
- **Fundraising Goal:** How much money they aim to raise for the charity.
- **Budget:** How will they balance the event costs to maximize funds raised? (This could include cutting unnecessary costs, seeking donations, etc.)
- **Resources:** How is it being implemented? How many people do they need, what’s the goal with people? Will they allocate resources or rely on volunteers? How to assure the best outcome?
- **Risk management:** How to foresee risks? How to allocate a budget for them? Why is it needed?

After 15-20 minutes of planning, have each group present their budget and event plan. Discuss how budgeting, cost-cutting, and resource management are all part of financial responsibility.

8. Activity: “Your Next Step: Volunteering and Personal Finance”

- **Goal:** Encourage participants to think about how they can combine financial responsibility with volunteering efforts in the future.

- **How:** Ask them to write down one action they will take in the next month to either volunteer or make a financial contribution toward a cause they care about.

- Some might decide to donate a small portion of their allowance or earnings.
- Others might choose to volunteer for a local cause.

- **Have** them reflect on how they can keep these efforts going over time, and how they can involve others in their efforts.

9. Who are you in the financial world?

Activity Purpose & Goals

- Help participants identify their personal financial habits and values.
- Encourage self-reflection on spending behaviors, categorizing them as **good, bad, or both**.
- Guide participants in understanding the long-term impact of their financial choices.

Time Required: 70 minutes

Tools Needed: Printed copies of Table 1 and Table 2

Activity Steps – Trainer Guidelines:

Step 1: Self-Assessment of Financial Habits (25 minutes)

1. Distribute **Table** (handout) to participants.

Habit	Category	Long-term effect

2. Instruct them to analyze their **own financial habits**, classifying them as **good, bad, or both** (minimum of four habits).
3. For each habit, they must explain:
 - Why they categorized it this way.
 - What potential **long-term effects** the habit may have.

Step 2: Group Discussion (15–20 minutes)

4. Invite participants who feel comfortable to share their findings.
5. Select **5–6 participants** to share one **good** and one **bad** habit. If applicable, they can also share a habit categorized as **both**.
6. Lead a group discussion where participants:
 - Suggest ways to overcome bad financial habits.

- Offer strategies to **enhance good financial habits**.

Step 3: Identifying Financial Values (20 minutes)

7. Introduce **Table 2** (handout):

	Food/ drinks	Travel	Education	Technology	Cosmetics	Clothes	Hobbies
Food/ drinks							
Travel							
Education							
Technology							
Cosmetics							
Clothes							
Hobbies							

8. Explain that Table 2 contains **seven spending categories**, paired into **comparative choices**.

9. Participants will:

- Imagine they have a **fixed amount of money**.
- Choose **only one option** from each **pair** (either the **row** or the **column** choice).
- Tally their choices to identify which categories they prioritize.

10. Discuss how this reflects their **financial values** and how it can help them manage spending decisions.

Step 4: Debrief & Reflection (15 minutes)

11. Facilitate the debriefing discussion with these key questions:

- *What did you learn about yourself today?*
- *How will you apply this knowledge after the workshop?*
- *Was anything unclear or surprising?*

9. Financial Consumer Protection and Financial Fraud

Objective

... to provide readers with some basic understanding on financial consumer protection, the risks associated with financial products and services, and the importance of safeguarding against fraud.

Learning outcomes:

- understanding financial consumer protection entail.
- grasping how financial scams and frauds occur.
- differentiating between the most common types of financial scams and frauds.

What does *financial consumer protection* entail?

Navigating the world of financial products and services can be challenging due to the wide range of evolving issues, risks, and opportunities present in today's market. Recognizing and addressing these challenges requires close attention and cooperation among policymakers. One major concern lies in the practices of financial institutions. Problems such as high fees, low-value products, unclear or misleading information, dishonest sales tactics, and unsuitable financial advice create significant risks for consumers. These issues often leave individuals with products or services that fail to meet their needs or expectations. At the same time, consumer-related factors add to the challenges. Limited financial literacy, the inability to effectively manage debt (especially in a context of inflation, rising interest rates, and emerging credit options) and a lack of digital skills contribute to poor financial outcomes for many. Broader economic and technological changes further complicate the financial landscape. Inflation, increasing interest rates, the rise of financial fraud and scams, and the rapid pace of digital innovation all introduce new risks that consumers must navigate.

In this context, *Financial Consumer Protection* aims to ensure fair and responsible treatment of financial consumers in their purchase and use of financial products and services and their dealings with financial services providers. Financial consumer protection policies play an important role, alongside financial inclusion and financial literacy, in promoting inclusive growth and financial stability.

To address these challenges, the G20/OECD Task Force on Financial Consumer Protection provides a platform for policymakers to share insights about risks and opportunities

affecting financial consumers. This group works to develop standards, offer policy guidance, and gather data to support better decision-making and consumer protection strategies.

A comprehensive policy framework for financial consumer protection can help protect financial consumers from potential detriment. As the international standard for financial consumer protection, the *G20/OECD High-Level Principles on Financial Consumer Protection* set out the components that countries should consider when developing a financial consumer protection regulatory framework. They also offer a roadmap for countries aiming to improve their existing policies and regulations. The Principles are cross-sectoral in nature and can be applied to the credit, banking, payments, insurance, pensions and investment sectors²⁶.



Figure no. 9.1 – G20/OECD High-Level Principles on Financial Consumer Protection

Source: <https://www.oecd.org/en/topics/financial-consumer-protection.html>

According to Figure no. 9.1, the following cross-cutting themes are relevant to the consideration and/or implementation of each and all of the Principles, which are set out below:

²⁶ <https://www.oecd.org/content/dam/oecd/en/topics/policy-sub-issues/financial-consumer-protection/G20-OECD-FCP-Principles.pdf>.

- The *financial well-being* of financial consumers and their resilience. Financial consumer protection policies should contribute to the overall financial well being and financial resilience of consumers.

- The impact, opportunities and risks of *digitalisation and technological advancements* for financial consumers. This includes considering the ways that consumers increasingly interact with digital financial products and services including cryptoassets and digital currencies, consumer behaviour in a digital environment, the impact of greater use of artificial intelligence, machine learning technology and algorithms.

- The impact, opportunities and risks of *sustainable finance* for financial consumers. This includes considering that financial services providers are increasingly incorporating environmental, social and governance (ESG) and other sustainability-related factors into their operations, products and services, and growing consumer demand for such products.

N.B. The OECD is a unique forum where governments work together to address the economic, social and environmental challenges of globalisation. The OECD is also at the forefront of efforts to understand and to help governments respond to new developments and concerns, such as corporate governance, the information economy and the challenges of an ageing population. The Organisation provides a setting where governments can compare policy experiences, seek answers to common problems, identify good practice and work to co-ordinate domestic and international policies.

Financial scams and frauds

Fraud is an intentional act of deceit designed to reward the perpetrator or to deny the rights of a victim (see <https://www.investopedia.com/terms/f/fraud.asp>). Financial fraud occurs when someone takes money or other assets from an individual through deception or criminal activity.

The OECD Consumer Finance Risk Monitor analyses financial consumers risks in 43 economies. The biggest risks include: inflation and rising interest rates (more than 85% of jurisdictions selected these as one of the three most significant risks to financial consumers), *financial scams and frauds* (nearly 63% of jurisdictions), and poor value products. With regard to the most common types of financial scams and frauds, these are: tricking consumers into providing personally identifiable information (86% of respondents) and fake schemes designed to tempt consumers to transfer, pay or invest money or buy fake insurance (84%).

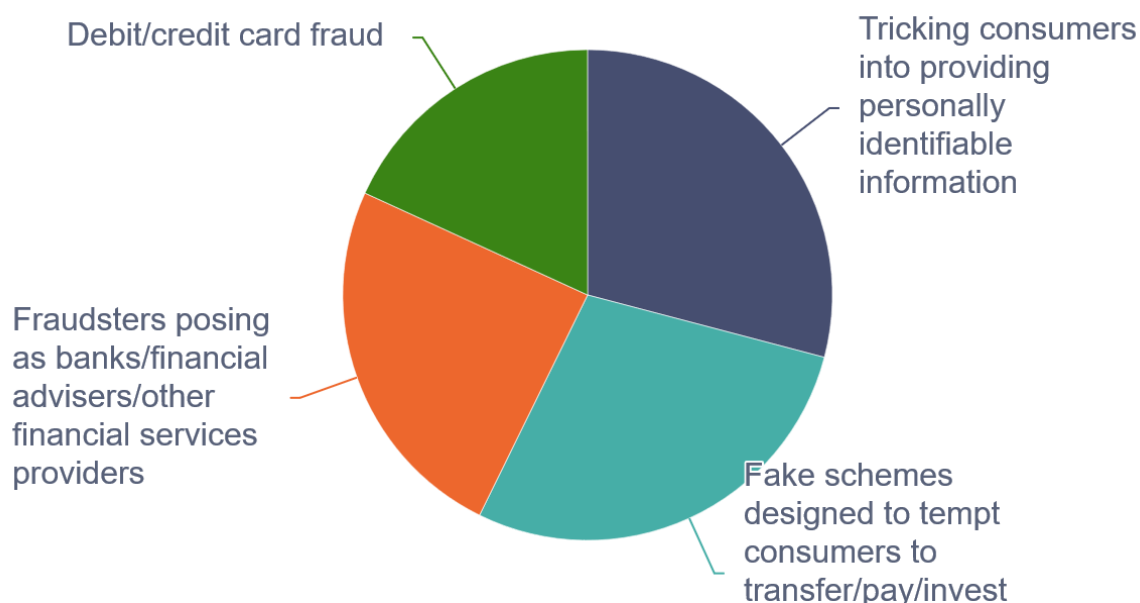


Figure no. 9.2 – Top types of financial scams and frauds (by no. of people affected)

Source: <https://www.oecd.org/en/topics/policy-issues/financial-consumer-protection-education-and-inclusion.html>

The next-most selected types of scams and frauds in terms of the number of people affected and the total amount of financial losses include:

- mobile banking/digital wallet fraud
- identify theft
- fraudsters posing as representatives of the government, official entities or other organisations
- cyberattacks targeting customers
- fraudulent issuance of crypto assets
- SIM swapping.

The following types of financial scams and frauds were selected as the most significant types of fraud:

- cheque fraud
- selling fake insurance policies
- internal fraud
- skimming.

The most common financial scams and frauds

1. Phishing and social engineering

Phishing is a type of cybercrime in which malicious persons/actors attempt to deceive individuals into divulging sensitive information, such as usernames, passwords, credit card numbers, or other personal data. Phishing attacks typically involve impersonating legitimate entities, such as banks, government agencies, or trusted organizations, to trick recipients into providing their confidential information or clicking on malicious links.

Phishing is a method used to deceive individuals into performing specific actions, such as clicking on harmful links, downloading dangerous files, or sharing sensitive information like passwords. These attacks rely heavily on social engineering techniques that target human emotions and behaviors. By creating feelings of urgency, fear, or curiosity, phishing attempts encourage quick decisions without proper verification of the request's authenticity²⁷. As technology advances, phishing strategies continue to become more advanced and harder to detect. Even with increased awareness and improved security tools, phishing remains one of the most common and damaging types of cybercrime. Gaining an understanding of how phishing works and learning to recognize these scams are essential steps in protecting both personal and organizational data in the modern digital world.

It's estimated that over 90% of all successful cyberattacks start with a phishing attack and this unfortunate conversion rate is tearing up the financial industry.²⁸ Because phishing emails are getting harder to recognize, they're one of the most popular attack vectors for cybercrime.

Specific methods of phishing include:

- **Email** or **Message**: phishing attacks often begin with an unsolicited email, text message, or instant message that appears to come from a reputable source. The message may claim to be from a bank, online retailer, CEO of a company, social media platform, or other familiar institution. For example, an email might impersonate a well-known bank, asking the recipient to update their account information by clicking on a link that leads to a fake login page designed to steal their credentials.

In Figure no. 9.3 there is an example of a phishing email posing as an urgent Coronavirus pandemic resource from the World Health Organization.

²⁷ <https://www.crowdstrike.com/en-us/cybersecurity-101/social-engineering/phishing-attack/>

²⁸ <https://www.upguard.com/blog/biggest-cyber-threats-for-financial-services>.



Corona-virus updates

Concerning Corona-virus disease (COVID-19) outbreak, the World Health Organization brings you the Corona-virus E-Book and Guide.

Inside this E-Book (**My-health**), you shall find out the complete research/origin of corona-virus and the recommended guide to follow to protect yourself and others.

Guidance to protect children and business centre;

This guidance provides critical considerations and practical checklists to keep Kids and business centre safe. It also advises national and local authorities on how to adapt and implement emergency plans for educational facilities.

Critical preparedness, readiness and response actions for COVID-19;

WHO has defined four transmission scenarios for COVID-19. My Health E-book describes the preparedness, readiness and response actions for each transmission scenario.

Basic protective measures against the new corona-virus;

1. Stay aware with the most contented information on the COVID-19 outbreak, available on the E-Book attached to this mail and through your national and local public health authority.
2. Avoid touching Eyes, Nose and mouth
Why? Hands touch many surfaces and can pick up viruses. Once contaminated, hands can transfer the virus to your eyes, nose or mouth.
3. Practice respiratory hygiene
This will also protect you and help prevent the spread of viruses and other infections.

You can now download and access the attached My Health Zip file from a Windows Computer only.

You are receiving this email because your life count as everyone lives count. Sign up for more updates at the WHO website (www.who.int).

Thanks for helping to make the world a little healthier.



Figure no. 9.3 – A phishing email posing as an urgent communication from the WHO

Source: <https://www.upguard.com/blog/biggest-cyber-threats-for-financial-services>

• **Social Engineering Tactics:** phishing emails often use social engineering tactics to manipulate recipients into taking action. They may create a sense of urgency or fear by claiming there's a problem with the recipient's account, a security breach has occurred, or important information needs to be verified or updated (e.g., FaceBook, Instagram, LinkeDin). Attackers create fake profiles or compromising legitimate accounts to



distribute phishing links or messages. These messages are designed to appear as though they come from friends or trusted contacts, increasing the likelihood of being opened. Typically, such messages direct users to malware-infected websites or fraudulent login pages intended to capture sensitive information, such as usernames and passwords.



- **Deceptive Content:** phishing messages often contain links to fake websites that closely mimic the appearance of legitimate sites. These websites may prompt recipients to enter their login credentials, financial information, or other sensitive data, which is then captured by the attackers.

- **Malware Distribution:** some phishing attacks involve the distribution of malware, such as viruses, ransomware, or keyloggers, via malicious email attachments or links. Once downloaded or clicked, the malware can infect the recipient's device and compromise their data or system.

- **Longlining:** Longlining attacks are mass-customized phishing messages typically engineered to look like they are arriving in small quantities, mimicking targeted attacks. Attackers leverage approaches used by mass-marketing campaigners to generate millions of dissimilar messages.

- **Clone Phishing:** A more sophisticated phishing attempt, clone phishing involves attackers copying emails their targets received previously and replacing legitimate links and downloads with malicious ones.

- **Smishing** and **Vishing:** SMS phishing (smishing) and voice phishing (vishing) are phishing attacks conducted via SMS messages and voice calls, respectively. Smishing involves sending text messages that seem to originate from trusted sources, often containing links to malicious websites or instructions to contact a fraudulent phone number. On the other hand, vishing uses phone calls to trick individuals into sharing sensitive information, such as passwords or credit card details. For example, a scammer might impersonate a bank representative, calling a victim and requesting account verification over the phone to gain access to their financial information.

- **Spear Phishing:** this is a more precise phishing attempt type. In targeted phishing attacks, known as spear phishing, attackers personalize their messages to specific individuals or organizations using information obtained from social media, data breaches, or other sources. This makes the phishing attempt more convincing and difficult to detect. Familiarity is what makes spear phishing attacks successful. Attackers collect information over the internet and from social networks and social media sources about potential targets, including their personal

and professional relationships and other personal details. The attacker uses this information to craft a personalized message that appears authentic to convince the target to respond to the sender's request. The sender may request a direct email response from the user, or the message may be a scam which includes a malicious link or attachment that installs malware on the target's device. Clicking on the link or attachment directs the target to a malicious website designed to trick them into sharing sensitive information, like passwords, account information or credit card information (see also Figure no. 9.4).

- **Whaling Attack:** target high-level executives, such as CEOs or CFOs, to gain access to substantial confidential data or financial assets. Attackers exploit the authority and trust associated with these positions to deceive recipients into complying with their requests. For example, an attacker might pose as the CEO and send an email to the CFO requesting an urgent wire transfer for a business acquisition, bypassing normal authorization processes and exploiting the CFO's desire to act quickly on the CEO's instructions (see also Figure no. 9.4).

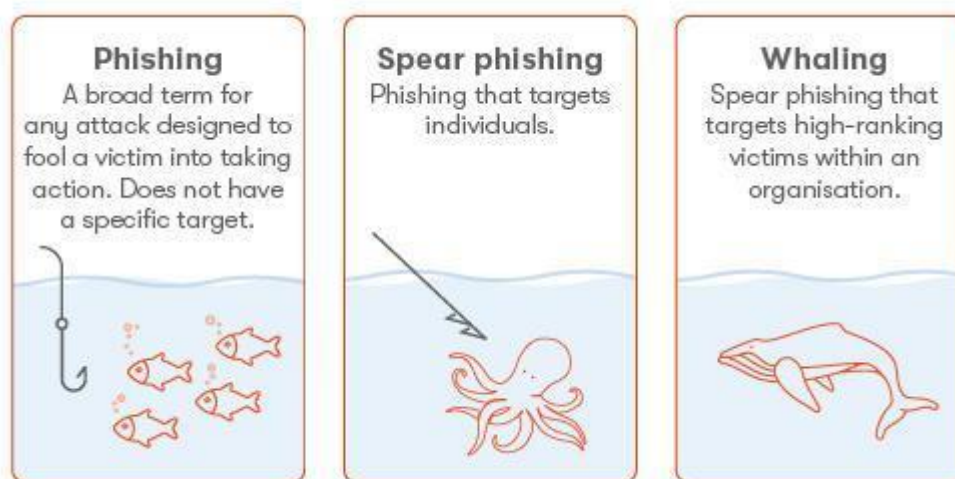


Figure no. 9.4 – Phishing vs Spear-Phishing vs Whaling

Source: <https://www.techtarget.com/searchsecurity/definition/spear-phishing>

As seen in Figure no. 9.4, Spear-Phishing and Phishing share the same objective: *deceiving individuals to obtain sensitive information or compromise systems*. However, spear phishing is more focused and personalized. While phishing emails are sent to a broad audience, spear phishing targets specific individuals or smaller groups. This approach allows attackers to include personal details, such as the recipient's name or job title, making the emails appear more legitimate and increasing the chances of success. A similar strategy is used in whaling attacks, which are a form of spear phishing aimed at high-profile individuals like executives, politicians, or celebrities. These attacks are carefully customized to the target, using techniques such as

social engineering, email spoofing, and content manipulation to gain access to confidential information or resources.

Phishing attacks are a significant cybersecurity threat and can result in financial loss, identity theft, unauthorized access to accounts, and other adverse consequences for individuals and organizations.

To protect against phishing²⁹:

- exercise caution when clicking on links or downloading attachments in unsolicited emails or messages.
- verify the legitimacy of requests for sensitive information by contacting the organization directly using trusted contact information.
- be wary of emails or messages that create a sense of urgency, use generic greetings, contain spelling or grammatical errors, or request unusual actions.
- keep software and security systems up to date to prevent malware infections.
- educate yourself and others about common phishing techniques and best practices for avoiding them.

By remaining vigilant and adopting cybersecurity best practices, individuals and organizations can reduce their risk of falling victim to phishing attacks.

2. Credit card fraud

Credit card fraud involves the theft and unauthorized use of credit card information. It can have serious consequences for both finances and credit scores. Recognizing the warning signs of fraudulent activity and taking proactive measures to safeguard personal information are essential steps in protecting against this type of theft. By staying alert and adopting secure practices, it is possible to reduce the risk of becoming a victim of credit card fraud.

Credit card fraud is a widespread crime that takes many forms, each exploiting different vulnerabilities:

- ***Card-present fraud*** happens when a stolen or counterfeit card is used in person to make unauthorized purchases. This type of fraud typically occurs in face-to-face transactions, such as at retail stores. Examples include the theft of credit cards from homes or persons, losing

²⁹ <https://www.crowdstrike.com/en-us/cybersecurity-101/social-engineering/phishing-attack/>.

cards, cloning through skimming at ATMs or establishments, and interception of new or replacement cards during postal delivery.

- **Card-not-present fraud** has become increasingly common, with the rise of digital theft. In these cases, the thief does not physically possess the card but instead uses stolen card details to make online or remote purchases. Cybercriminals often use phishing schemes to install malware on a victim’s computer or device, enabling them to record keystrokes and steal sensitive information like credit card numbers. The stolen data can then be sold or used to make fraudulent transactions (see also Table no. 9.1 for the differences between the two).

Table no. 9.1 – Key differences between Card-Not-Present and Card-Present frauds

Differences	Card-Not-Present fraud (CNP)	Card-Present fraud (CP)
Occurrence	CNP fraud happens in transactions that do not require the physical card, such as online purchases, transactions over the phone and mail order	CP fraud occurs during in-person transactions, in which the physical card is used for payment.
Method	Fraudulent actors use stolen card details obtained via data breaches, phishing or other methods. They don't need the physical card to make fraudulent transactions – just the card number, expiry date and sometimes the card verification value (CVV) number.	This involves using a stolen physical card or creating counterfeit cards by using stolen card data.
Detection	Detecting CNP fraud can be challenging because the fraudulent actor does not need to present the physical card to make a purchase. Verification relies on data points that can be easier to compromise.	CP fraud can be easier to detect compared with CNP fraud. Physical signs – such as a damaged card, a signature mismatch or suspicious behaviour by the person making the transaction – can raise red flags and alert businesses to potential fraud.

Source: <https://stripe.com/en-ro/resources/more/what-is-card-not-present-fraud-what-businesses-need-to-know#card-not-present-fraud-vs-card-present-cp-fraud>

- **Skimming** is another tactic used to commit *credit card fraud*. A skimmer is a hidden electronic device placed within legitimate card readers, such as those found at ATMs or gas station pumps. When a shopper swipes their card, the skimmer captures the data stored in the card’s magnetic strip. In some cases, skimmers are paired with hidden cameras or fake keypads to record PINs, putting both debit and credit cards at risk.



Figure no. 9.5 – Examples of skimming devices

- Once data is stolen through skimming, *card cloning* may occur. This involves copying the stolen credit card data onto a blank card or overwriting it onto another stolen card. The cloned card can then be used for fraudulent purchases, cash withdrawals, or money orders.

Skimming and cloning often involve organized operations. For example, one person might collect data with a skimmer, another might use a card-cloning machine, and a third might use the cloned cards to purchase gift cards or other items, creating a complex chain of fraudulent activity.

To minimize the risk of card skimming and card cloning, it's essential for cardholders to keep their cards in sight at all times or maintain physical possession of them. Dining at restaurants with a centralized checkout system can help ensure that the card is not taken away and potentially compromised during the payment process. Many businesses now integrate electronic fraud security systems into their payment systems, providing an additional layer of protection against fraudulent schemes and cyberattacks. Payment card companies are also expanding their security solutions to address various types of fraud. Cardholders should contact their card issuers through customer service representatives or online resources to learn more about available security features and fraud prevention tools. These solutions can help enhance card security and reduce the risk of having sensitive information compromised.

To summarize, this is how to avoid card cloning, credit card skimmers and other types of credit card fraud:

- Protect your credit card data from digital theft;
- Inspect ATMs and gas pumps before use;
- Use a credit card with a microchip;
- Choose your card carefully;
- Use transaction alerts.

3. Payment fraud

Payment fraud is a type of financial fraud that occurs when someone intentionally uses false or stolen payment information to make a purchase. The perpetrator deprives the victim of funds, personal property, interest or sensitive information via the Internet.

Payment fraud is characterized in three ways³⁰:

- Fraudulent or unauthorized transactions;
- Lost or stolen merchandise;
- False requests for a refund, return or bounced checks.

While payment fraud can occur in different ways, it often targets businesses, financial institutions, and consumers shopping online. Criminals can use sophisticated techniques to steal credit card information, bank account details, passwords, and more. They take advantage of weaknesses in security measures.

Online payment fraud is a significant problem for everyone who buys and sells over the internet. According to the European Banking Authority, payment fraud amounted to €4.3 billion in 2022. And in a recent report, Juniper Research estimated that online payment fraud will exceed \$362 billion globally between 2023-2028. The same report predicts the losses to merchants in 2028 alone will be \$91 billion.³¹

Payment fraud can occur through various payment methods, including credit cards, debit cards, bank transfers, checks, and electronic payments. Fraudulent actors use several methods to commit payment fraud. Here are some of the most common tactics³²:



A. Friendly Fraud (Chargeback Fraud):

Friendly fraud occurs when customers request a refund after purchasing a product or service, falsely claiming that they did not receive it or that the transaction was invalid. In this case, banks typically reimburse the customer, even though the claim is untrue. Some individuals may use this method to obtain free products or services. While there are instances where the consumer is correct,

³⁰ <https://www.bigcommerce.com/glossary/payment-fraud/>.

³¹ <https://www.checkout.com/blog/common-types-of-online-payment-fraud>.

³² <https://www.formica.ai/blog/payment-fraud-types-detection-and-prevention-in-ecommerce>.

friendly fraud is often exploited as a form of payment fraud.

B. Card Testing Fraud: In card testing fraud, criminals steal or purchase credit card information from the dark web. They then conduct small transactions on various shopping sites to test if the card is active and can be used for larger purchases. These minor transactions can go unnoticed, but once fraudsters identify a working card, they may proceed with significant transactions, leading to substantial financial losses. If these small charges turn into chargebacks, merchants also face financial setbacks.

C. Identity Theft: Fraudsters often impersonate legitimate websites or online stores to trick consumers into providing personal information, such as names, emails, phone numbers, and payment details. This is one of the most common forms of payment fraud, where phishers steal sensitive data through deceptive means.

D. Refund Fraud: Refund fraud occurs when criminals steal credit card information and later request a refund for purchases made with the stolen card. The fraudsters usually ask for the refund to be transferred to a different account or through an alternative payment method, further complicating detection.

E. Triangular Fraud: Triangular fraud involves three parties: the fraudster, the merchant, and the customer. The fraudster sets up a fake online store offering competitive prices and attracts customers. Once a customer places an order, the fraudster steals the payment card details and purchases products from the legitimate store, using the stolen information to complete the transaction. The merchant is unaware that the payment is fraudulent, and the fraudster receives the product without paying.

F. Account Takeover Fraud: In account takeover fraud, criminals gain unauthorized access to users' online banking or shopping accounts. This is typically made possible by weak passwords or the use of the same password across multiple accounts. After taking control of the account, fraudsters can make purchases, change account details, and divert payments, leaving the victim unaware of the changes or fraudulent activity.

4. Investment fraud

Investment fraud and scams involve many techniques. Some will be easier to spot than others, as scammers will go to lengths to ensure any websites, documents, or details discussed seem as legitimate as possible. Investment fraud can take many different forms, and it's important for both new and experienced investors to be aware of the risks. Understanding the

various types of investment fraud can help protect against potential losses and scams. Whether it's misleading offers, unauthorized transactions, or fraudulent investment schemes, being informed about these tactics is essential for safeguarding your financial assets. The US Securities and Exchange Commission provides some different types of investment fraud³³:

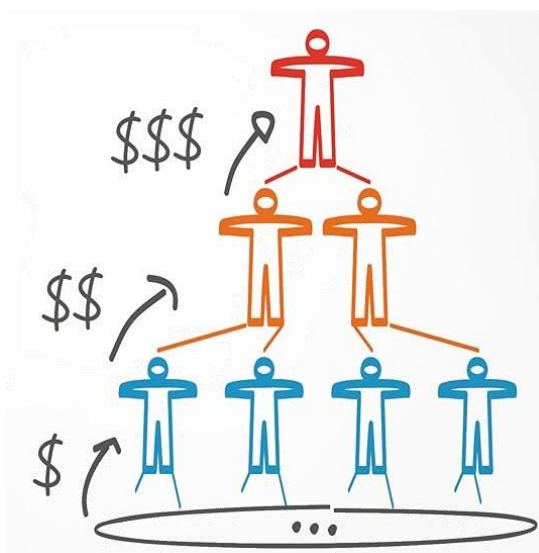
- Affinity Fraud
- Advance Fee Fraud
- Binary Options Fraud
- High Yield Investment Programs
- Impersonation Schemes
- Internet and Social Media Fraud
- Microcap Fraud
- Ponzi Scheme
- Pre-IPO Investment Scams
- Pyramid Schemes



- "Prime Bank" Investments
- Promissory Notes
- Pump and Dump Schemes

One of the most well-known investment schemes is the **Ponzi Scheme**³⁴.

A Ponzi scheme is a type of investment fraud where returns to existing investors are paid using the funds contributed by new investors, rather than generating legitimate profits. The organizers of Ponzi schemes often promise high returns with minimal or no risk, enticing individuals to invest their money. However, in many cases, the fraudsters don't actually invest the money. Instead, they use it to pay off earlier investors, keeping some for themselves. These schemes rely on a constant influx of new investments to keep running. As long as new investors continue to join, the scheme can appear successful. However, when it becomes difficult to recruit new investors or when a large number of current investors try to cash out, the scheme collapses. Ponzi schemes are named after Charles



³³ <https://www.investor.gov/protect-your-investments/fraud/types-fraud>.

³⁴ <https://www.investor.gov/protect-your-investments/fraud/types-fraud/ponzi-scheme>.

Ponzi, who famously swindled investors in the 1920s through a postage stamp speculation scheme. His fraudulent activities became a hallmark for this type of scam.

In 2008, Bernard Madoff was convicted for orchestrating **one of the largest Ponzi schemes in history**³⁵, which involved falsifying trading reports to show profits from investments that did not exist. Madoff marketed his fraudulent operation as a legitimate investment strategy known as the "split-strike conversion," which involved trading blue-chip stocks and options. However, instead of actual trading, Madoff used historical trading data to create fake profit records, deceiving his clients into believing their investments were growing. The scheme unraveled during the 2008 global financial crisis, as more investors began to withdraw funds, revealing the company's lack of liquidity. Eventually, Madoff admitted that his firm had \$50 billion in liabilities owed to 4,800 clients. However, government investigations concluded that the actual size of the fraud was \$64.8 billion. Madoff was sentenced to 150 years in prison and forfeited \$170 billion in assets. He died in prison on April 14, 2021, leaving behind a legacy of financial devastation for countless victims.

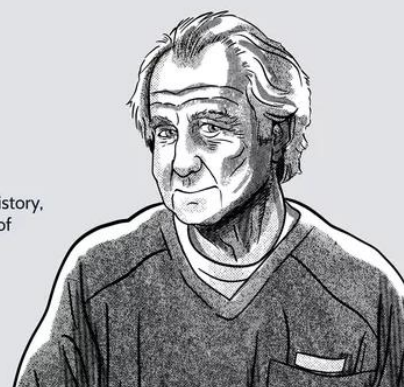
Bernie Madoff

Born: April 29, 1938

Died: April 14, 2021

Financier

- Responsible for the largest Ponzi scheme in history, defrauded thousands of investors out of tens of billions of dollars over the course of 17 years, possibly longer
- Was sentenced to 150 years in prison and forced to forfeit \$170 billion in 2009
- Pioneer in electronic trading and Chair of Nasdaq in the early 1990s



One of the most recent investment schemes is Cryptocurrency-related investments.

Cryptocurrencies gained significant attention in 2017, as the values of some virtual coins and tokens, especially Bitcoin, surged dramatically. This led to widespread media coverage, introducing new cryptocurrencies, coin exchanges, and investment products. The media also highlighted stories of "crypto millionaires," enticing some investors to explore opportunities in the cryptocurrency market. However, these success stories were soon accompanied by tales of



investors who bet heavily on cryptocurrencies and lost significant amounts of money.

Before diving into the cryptocurrency market, it's important to recognize that many cryptocurrencies and

³⁵ <https://www.investopedia.com/terms/b/bernard-madoff.asp>.

related financial products may be nothing more than fronts for Ponzi schemes or other types of fraud. Since cryptocurrencies do not always fit within existing federal or state regulatory frameworks, promoters of these products may exploit the lack of oversight to deceive investors. As a result, investing in cryptocurrencies and related products should be approached with caution, as it carries extremely high risks and the potential for significant financial loss.

Cryptocurrency scams come in various forms, much like traditional financial frauds. Just as criminals attempt to steal funds from bank accounts or make fraudulent charges on credit cards, crypto scammers will go to great lengths to steal your cryptocurrency. To safeguard your crypto assets, it's crucial to understand when and how you might be targeted by scammers and to recognize the warning signs of fraud. Being aware of common scams and knowing what actions to take if you suspect you're being targeted can help protect your investments in the volatile world of cryptocurrency³⁶.



Reflect & Discuss

In your opinion, what role does financial literacy play in protecting consumers from financial harm?

Can you think of an example where better financial knowledge might have prevented a consumer from falling victim to a harmful financial product or service?

Have you ever received a phishing email or message? How did you identify it, and what actions did you take? If not, how would you respond if you received one?

Considering the increase in digital financial transactions, how important do you think digital literacy is in preventing scams? How can educational institutions improve students' ability to detect online fraud?

In what ways can consumers protect themselves from credit card fraud and skimming? Do you think financial institutions are doing enough to help protect their customers from these risks?

Think about the potential risks and rewards of investing in cryptocurrency. Do you believe cryptocurrency offers legitimate investment opportunities, or does the volatility make it too risky for most investors?

What are the key red flags that someone might encounter in a Ponzi scheme? Reflect on why these schemes can often go undetected for so long. How could these types of scams be prevented or caught sooner?

³⁶ <https://www.investopedia.com/articles/forex/042315/beware-these-five-bitcoin-scams.asp>.

Non-formal education exercises

1. Escape Room with a Financial Theme – "The Debt Trap Escape"- Chapter 9: Financial Consumer Protection and Financial Fraud-

Participants are trapped in a virtual escape room where they must solve financial puzzles to unlock the door.

- **Challenge 1:** Calculate the total interest on a **4000-euro loan** with a 5% annual interest rate over 3 years.
- **Challenge 2:** Identify fraudulent activities in a fake bank statement.
- **Challenge 3:** Budget **2000 euros** to cover essential expenses (housing, food, transport) while saving **20%**.

Requests:

1. Solve each challenge to unlock the door and escape.
2. Justify your answers and explain how they apply to real-life financial situations.

2. Recognizing Financial Fraud – "Spot the Scam"

Situation: Ana receives the following email: "Congratulations! You've won **5000 euros**. To claim your prize, please reply with your bank details and a copy of your ID. Act quickly – this offer expires in 24 hours!"

Requests:

1. Identify red flags in the email and explain why it might be a scam.
2. Create a list of steps Ana should take to protect herself, such as reporting the email or securing her accounts.
3. Discuss common financial scams and how to avoid them in daily life.

3. Fraud Detective – "Spot the Scammer"

Objective: Teach participants to identify signs of financial fraud.

Setup:

- Prepare scenarios with both legitimate and fraudulent offers (e.g., emails, text messages, investment opportunities).

Gameplay:

1. Divide participants into teams.
2. Each team is presented with a series of scenarios. Examples:
 - o A lottery email asking for personal details to claim a prize.
 - o A bank notification requesting urgent account verification.
 - o A genuine email from an employer about salary details.
3. Teams must classify each scenario as "Fraudulent" or "Legitimate" and explain their reasoning.
4. Award points for correct answers and clear justifications.

Outcome: Develops critical thinking skills and fraud awareness.

10. Job Market and Financial Management Skills

Objective

... to provide readers a basic understanding of the job market, focusing on the key skills required to succeed in the competitive finance sector, on the salary structure and on some negotiating rules.

Learning outcomes:

- understanding what the job market is and how big it is in the European Union.
- comprehending the skills required to succeed in the competitive finance job market.
- grasping what to compute and to negotiate the salary on the job market.

What is the job market?

The job market (or the labor market) is where employers look for employees, and individuals seek employment opportunities. It is not necessarily a physical location but rather a concept that illustrates the competition and interaction between various labor forces. It is where the *supply* (individuals who are actively seeking jobs) and *demand* (businesses) of the labor force, as well as other factors, interact. The size and dynamics of this market are influenced by factors such as the economic activity level, industry trends, the need for certain skill sets or education level, all of these being closely connected to the overall state of the economy. From the micro-perspective, understanding the job market helps individuals to assess their competitiveness and career plan better. From the macro-perspective, the health of job markets reflects the overall economic condition and trend³⁷.

Several elements play a role in shaping the job market, including the specific needs of certain industries, the demand for particular skills or educational qualifications, and the responsibilities associated with different roles. Additionally, the job market's growth or contraction often reflects changes in the demand for goods and services within the economy. Understanding these dynamics is crucial for navigating career choices and responding to industry trends effectively.

The job market in finance in the European Union

In 2021, 4.9 million people were employed in the EU's financial and insurance activities sector. This represents 3.1% of all employed people in the EU. During the same year, there

³⁷ <https://corporatefinanceinstitute.com/resources/economics/job-market/>.

were 759,159 enterprises in this sector, making up 2.5% of all enterprises active in the EU's business economy (see also Figure no. 10.1). The net turnover amounted to €2.3 trillion, while the value added stood at €1 trillion. Following the entry into force of the European Business Statistics Regulation, Eurostat has extended the service coverage for structural business statistics and is publishing, for the first time, SBS data on the financial and insurance activities sector.

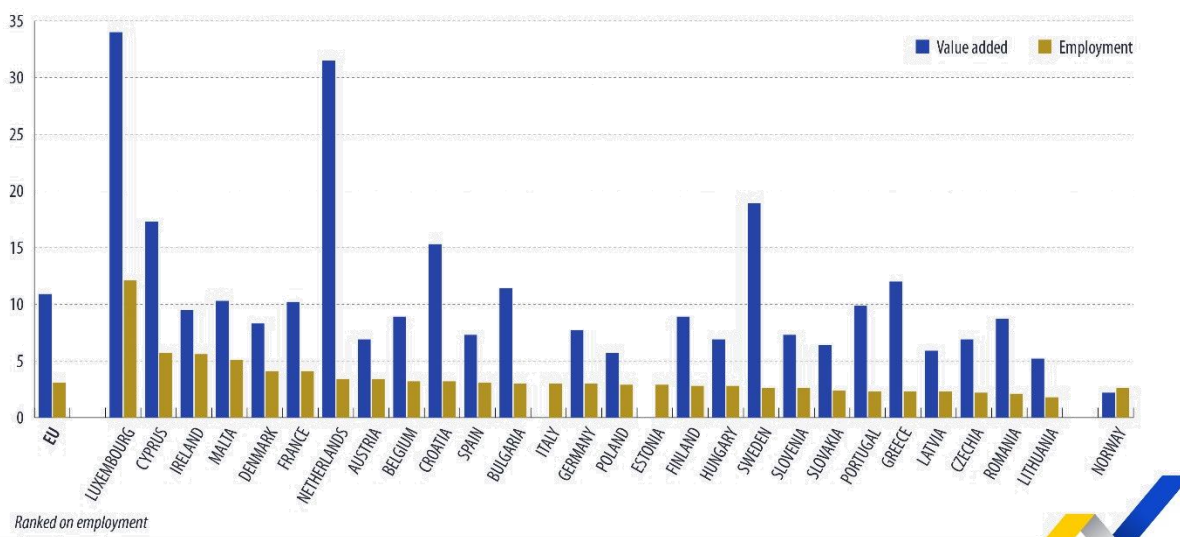


Figure no. 10.1 – Financial and insurance activities

(% share of value added and employment in the business economy total)

Source: <https://ec.europa.eu/eurostat/web/products-eurostat-news/w/ddn-20240610-2>

In 2021, the countries with the highest share in terms of employment were Luxembourg (12.1% of the country's business economy), Cyprus (5.7%) and Ireland (5.6%). Meanwhile, the lowest share of employment in the financial and insurance activities sector were in **Bulgaria** (2.4), **Czechia** (2.2%), **Romania** (2.1%) and **Lithuania** (1.8%). In terms of value added, the highest percentage share was recorded in Luxembourg (34.0% of the country's business economy), the Netherlands (31.5%) and Sweden (18.9%).

Top skills for success in the competitive finance job market

The job market, in general, is highly competitive, requiring individuals to possess a wide array of skills and knowledge. With regard to the financial industry, as it evolves, it becomes increasingly important for those pursuing a career in finance to develop the right capabilities to stand out among other candidates vying for top positions. To excel in their jobs, professionals

must master a mix of technical, soft, and industry-specific related skills. These include the ability to conduct financial analysis, work with financial software, and interpret complex data. In addition to these technical abilities, effective communication, problem-solving, and teamwork are essential for success in the workplace. Understanding industry trends and developments, as well as having strong quantitative and analytical skills, further enhances one's qualifications. Networking, staying informed about industry changes, and pursuing continuous learning are also crucial for professional growth. Professionals who prioritize these areas and adapt to the changing landscape of finance are more likely to find success in this dynamic field. In finance, the ability to learn and adapt continuously is key to staying competitive and achieving long-term success.

According to Harshali Pawar, these are the main *Technical Skills* that a professional in the finance job market must possess³⁸:

- ***Financial Analysis and Modeling***: a strong ability to analyze and interpret financial data is critical for making informed decisions and constructing accurate financial models. Employers often look for individuals who can navigate complex financial statements, assess risk, and evaluate investment opportunities to guide strategic actions.

- ***Proficiency in Financial Software and Tools***: familiarity with essential financial software such as Excel, Bloomberg, and ERP systems is highly valued in the finance sector. Proficiency in using these tools not only streamlines financial analysis but also increases productivity and facilitates efficient reporting, making it an important skill for finance professionals.

- ***Data Analysis and Interpretation***: with the growing trend of data-driven decision-making, strong data analysis skills are becoming more crucial. Expertise in data manipulation, statistical analysis, and data visualization allows finance professionals to extract valuable insights, which in turn support informed and strategic decision-making processes.

- ***Knowledge of Accounting Principles and Practices***: a solid understanding of accounting principles and practices is fundamental to success in the finance field. Being able to accurately interpret financial statements, comprehend auditing procedures, and adhere to financial regulations is necessary for meeting reporting requirements and ensuring accurate financial analysis.

³⁸ <https://www.bsebti.com/blog/top-skills-for-success-in-the-competitive-finance-job-market/>.

In addition to those, there are also some *Soft Skills* that the same finance professional must have in the portfolio:

- ***Communication and Presentation Skills:*** strong verbal and written communication skills are crucial for finance professionals to convey complex financial information to stakeholders. Effective presentation skills enable professionals to articulate their ideas with clarity, making them persuasive and impactful.

- ***Problem-Solving and Critical Thinking Abilities:*** finance professionals are often confronted with complex challenges that require innovative solutions. Employers value candidates who possess strong problem-solving and critical thinking skills, allowing them to analyze situations, identify opportunities, and implement effective strategies.

- ***Attention to Detail and Accuracy:*** in finance, precision is paramount. Attention to detail ensures accurate financial analysis, error-free reporting, and compliance with regulatory frameworks. Employers seek candidates who possess meticulousness and a keen eye for detail.

- ***Teamwork and Collaboration:*** finance professionals seldom work in isolation. The ability to collaborate with cross-functional teams, communicate effectively, and contribute to group objectives is highly valued. Strong teamwork skills foster a cooperative and productive work environment.

- ***Adaptability and Flexibility:*** the finance industry is constantly evolving, requiring professionals to adapt to changing market conditions and regulations. Demonstrating flexibility and adaptability allows individuals to navigate uncertain situations and seize opportunities for growth.

Of course, one must not neglect the *Industry Knowledge related skills:*

- ***Understanding of Financial Markets and Instruments:*** a comprehensive understanding of financial markets, including stocks, bonds, derivatives, and commodities, is essential. Knowledge of various financial instruments and their dynamics enables professionals to make informed investment decisions.

- ***Knowledge of Regulatory Frameworks and Compliance:*** Finance professionals must comply with a multitude of regulations and frameworks. Familiarity with key regulatory bodies, such as SEC, FCA, and RBI, and adherence to compliance standards is critical to maintain ethical practices and avoid legal issues.

- ***Awareness of Current Trends and Developments in the Finance Industry:*** staying up-to-date with the latest trends, innovations, and developments in the finance industry

showcases a proactive approach to professional growth. Being aware of emerging technologies and market dynamics equips professionals with a competitive edge.

- ***Familiarity with Different Sectors:*** finance encompasses various sectors, such as investment banking, asset management, and corporate finance. Gaining exposure to different sectors enhances professionals' versatility and widens their career opportunities.

Last but not least, there are the ***Quantitative and Analytical Skills:***

- ***Proficiency in Mathematics and Statistics:*** finance professionals often work with complex mathematical and statistical models. Strong quantitative skills allow professionals to analyze financial data, perform risk assessments, and develop accurate forecasts.

- ***Ability to Analyze and Interpret Financial Data:*** the ability to extract insights from financial data and convert them into actionable strategies is highly valued. Proficiency in data analysis techniques enables professionals to identify patterns, trends, and potential risks.

- ***Strong Decision-Making and Risk Management Skills:*** finance professionals are frequently faced with high-stakes decisions. The ability to assess risks, evaluate alternatives, and make sound judgments is critical. Effective risk management skills are essential to safeguard investments and ensure financial stability.

International Job Portals

To find global job opportunities, explore international job portals and recruitment websites. These platforms cater specifically to international job seekers and provide filters for location and industry preferences. Consider the following options:



- ***Indeed*** is one of the largest job search engines, aggregating job listings from various sources including company websites, job boards, and recruitment agencies. You can search for jobs by location, industry, and keyword.

- ***LinkedIn*** is a professional networking platform where you can not only search for job openings but also connect with professionals in your field, join industry-related groups, and access resources for career development.

- **Glassdoor** provides job listings, company reviews, salary information, and interview insights contributed by employees and job seekers. It's a valuable resource for researching companies and understanding the job market landscape.

- **Monster** is another popular job search platform offering a wide range of job listings across industries and locations. It provides tools for resume building, career advice, and job search customization.

- **CareerBuilder** is a comprehensive job board featuring millions of job listings, resume search tools for employers, and resources for job seekers including resume writing tips and career advice.

- **Job Boards and Career Portals:** Many companies and organizations have their own career portals and job boards where they advertise job openings. Visiting the websites of companies you're interested in working for can provide you with direct access to their job listings and recruitment information.

- **EURES:** the European Employment Services, is a cooperation network established by the EU to facilitate the free movement of workers within the European Economic Area countries (EU countries plus Iceland, Liechtenstein, and Norway) and Switzerland. It is designed to connect job seekers with employers across borders and to provide information, guidance, and support on employment opportunities and labor market conditions in these countries.



- **Bureau of Labor Statistics (BLS):** If we look for national-level data and statistics on the job market, the BLS website provides a wealth of information on employment trends, wages, occupational outlook, and labor market indicators.

- **World Bank Data,** for global insights into the job market, the World Bank offers data and research on various economic indicators, including labor market statistics, employment trends, and workforce demographics.

- **Professional Associations and Industry Forums** Industry-specific professional associations and forums often have job boards and resources tailored to professionals in that field. Joining these associations and participating in discussions can help you stay informed about job opportunities and industry trends.

The salary breakup structure

Understanding the breakdown of a salary structure is essential for gaining clarity about income and financial planning. A typical salary structure consists of several components, each serving a specific purpose (see Figure no. 10.2, as an example). Here's an overview of the common elements found in a salary breakup:

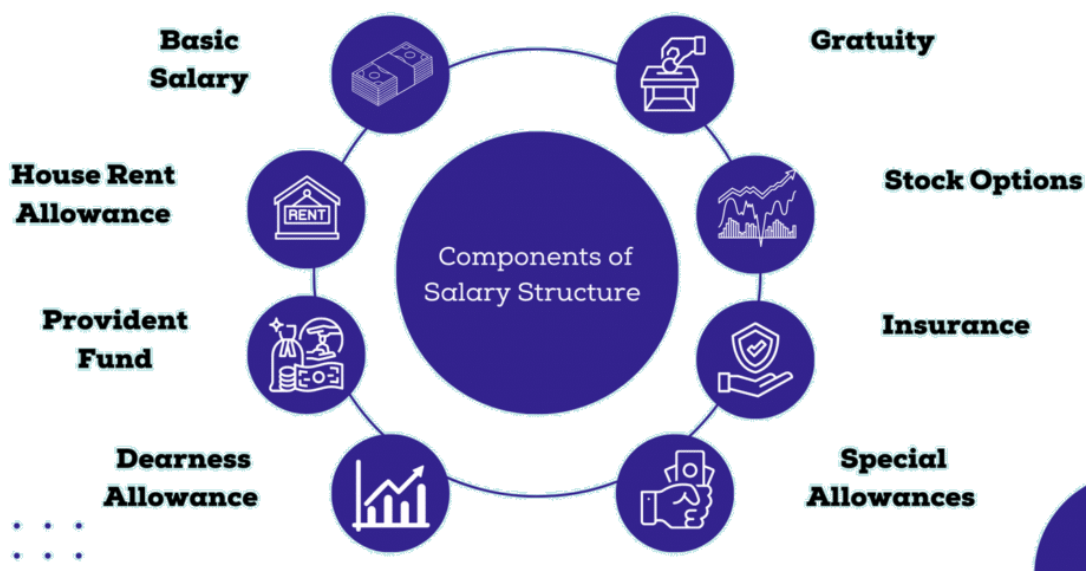


Figure no. 10.2 – Components of salary structure

Source: <https://www.cheggindia.com/career-guidance/salary-breakup-structure/>

1. Basic salary

The basic salary is a fundamental element of any compensation package, representing the fixed portion of income earned for providing services. It serves as the foundation upon which other salary components and benefits are structured. Typically, the basic salary constitutes about 40-50% of the total salary and is fully taxable. Various additional elements, such as allowances and contributions, are calculated as a percentage of this fixed amount. Paid in the local currency of the country of employment, the basic salary is influenced by factors such as professional experience, qualifications, and prevailing market conditions.

For instance, the base salary for a software engineer in the United States may be significantly higher compared to a similar role in **Romania**, **Bulgaria** or **Lithuania**. This variation reflects differences in living costs, labor market demand, and regional economic factors. Understanding these nuances helps in assessing the value of the basic salary within the broader context of total compensation.

2. Allowances

There are companies that provide allowances to support employees in managing additional expenses, especially when working in locations with unique cost considerations, such as international assignments or cities with a high cost of living. These allowances are offered in addition to the basic salary and can serve specific purposes, such as covering housing, transportation, or education expenses. Allowances are structured to address various needs and can be either taxable or exempt from taxes, depending on their type and applicable conditions. Common examples of allowances include:

- *House Rent Allowance*: Designed to help employees manage house rent expenses, this allowance can be partially tax-exempt if specific criteria are met, such as the amount of rent paid and the location of residence.
- *Dearness Allowance*: Primarily offered to government employees, this allowance aims to counteract inflation. It is calculated as a percentage of the basic salary and is fully taxable.
- *Conveyance Allowance*: Provided to cover commuting costs between home and work, this allowance is tax-free up to a specified limit.
- *Medical Allowance*: This is allocated for healthcare-related expenses and may be tax-exempt if supported by valid bills and within defined limits.
- *Special Allowance*: Serving as a miscellaneous category, it encompasses benefits not covered under other specific allowances and is generally fully taxable.

3. Bonus, Incentives and Benefits

Bonuses and incentives play a key role in employee compensation, offering additional earnings for achieving specific goals or targets in that job. These payments are designed to reward performance, enhance motivation, and align individual efforts with organizational objectives. A bonus is typically a one-time payment provided when a particular milestone is reached and is generally taxable. Common examples include, but are not limited to:

- *Annual Bonuses*: Awarded at the end of the year based on company performance or individual contributions.
- *Performance Bonuses*: Paid to employees who exceed performance expectations or meet key targets.
- *Sign-On Bonuses*: Offered to new employees as an incentive to join the organization.

Incentives, on the other hand, are designed to encourage employees to meet ongoing or specific targets. These payments can be regular or occasional and may vary in structure

depending on the company. Incentives are often tied to individual or team achievements, such as exceeding sales goals or delivering exceptional results on a project.

In addition to bonuses and incentives, benefits form a critical part of a salary package and can significantly enhance overall compensation. These benefits vary by company and country but often include:

- *Health Insurance*: A comprehensive health plan can reduce out-of-pocket expenses, especially in regions with high healthcare costs.
- *Retirement Plans*: Contributions toward pension or savings schemes help employees secure their financial future.
- *Paid Time Off*: Vacation days, sick leave, and holidays contribute to a healthy work-life balance.
- *Other Perks*: Some companies provide additional benefits like childcare support, education assistance, or wellness programs.

4. Stock Options or Equity Grants

In some cases, employees may receive stock options or equity grants as part of their compensation package. Stock options give employees the right to purchase company stock at a predetermined price within a specified time frame, while equity grants provide ownership stakes in the company. Stock options and equity grants can serve as incentives for employees to contribute to the company's growth and success.

5. Deductions

Deductions represent the amounts subtracted from the gross salary (basic salary plus other benefits) to arrive at the net salary, also known as *take-home pay*. These deductions serve various purposes, including social security contributions, taxes, and compliance with legal requirements. Common deductions include the following:

- *Provident Fund*: Both the employer and employee contribute to this fund, typically 12% of the basic salary. The employee's contribution is tax-exempt up to a specific limit, and the PF serves as a long-term savings scheme for retirement or other financial needs.
- *Employee State Insurance*: This deduction is part of a social security scheme that provides medical benefits and other services to eligible employees under the Employees' State Insurance Act of 1948. Contributions to the ESI fund are mandatory for qualifying employees.

- Deductions for Pillar III pensions: this would appear under voluntary deductions or employee benefits, alongside other optional contributions such as health savings accounts or additional insurance premiums (see previous chapter on Insurance and Private Pension).

- *Professional Tax*: Imposed by state governments, this tax is deducted based on state-specific regulations. The amount varies across regions and is mandatory for salaried employees.

- *Income Tax*: Tax Deducted at Source is calculated based on the employee's income tax slab. The employer withholds this and submits it to the government on behalf of the employee.

6. Other components

Gratuity and overtime pay are additional components of employee compensation, reflecting efforts made beyond regular duties or tenure with the organization. These payments can significantly impact overall earnings and are subject to specific rules and calculations:

- *Gratuity*: This is a lump-sum payment made to employees when they leave the company, provided they have worked for a minimum of five years. Gratuity is calculated using a formula based on the last drawn salary and years of service.

- *Overtime Pay*: Employees who work beyond their regular working hours are entitled to overtime pay, calculated at a higher rate than regular hours.

7. In-hand or Take-Home Salary

The in-hand salary (also referred to as the take-home salary) is the amount that an employee actually receives after all necessary deductions from the gross salary have been made. It is the final amount that is deposited into an employee's bank account at the end of each month.

To calculate the in-hand salary, the following formula is commonly used:

$$\text{In-hand Salary} = \text{Basic Salary} + \text{Allowances} - (\text{Provident Fund} + \text{Gratuity} + \text{Tax Deducted at Source} + \text{Professional Tax})$$

where:

- Basic Salary refers to the fixed portion of the salary.
- Allowances are additional benefits, such as housing or transport allowances.
- Provident Fund, Gratuity, Tax Deducted at Source, and Professional Tax are deductions that reduce the total salary.

The components of the in-hand salary may vary based on factors like the company's policies, the employee's position, the industry they work in, their location, and their years of experience. Understanding the in-hand salary is essential, as it reflects the actual income available for personal expenses after all deductions have been accounted for.

When considering a job offer, particularly in a global context, understanding the tax and deduction structure is essential. Different countries have unique tax laws, rates, and social security requirements. It's also critical to determine whether taxes must be paid in the home country, the host country, or both, based on bilateral tax agreements or individual circumstances.

Seeking guidance from a tax professional or financial advisor can simplify these complexities and ensure compliance with all regulations. This understanding not only helps in planning personal finances but also provides clarity on the actual take-home pay and the overall financial benefits of the role.

Negotiating the salary

Negotiating a salary is another important skill one must have. It typically occurs at specific times during the career journey. It is important for anyone that the negotiation of a salary comes after an informed and rational analysis.

There are some situations when one can negotiate the salary:

- *during the job offer stage* – the most common time to negotiate a salary is when one receives a job offer from a potential employer. After going through the interview process and the employer extends a formal job offer, there is the opportunity to negotiate the terms of employment, including salary, allowances, benefits, and other compensation-related aspects (mentioned earlier).
- *during performance reviews or salary reviews* – performance reviews or annual salary reviews provide an opportunity to discuss the compensation with the current employer. If strong performance and added value has demonstrated to the organization, it's appropriate to request a salary increase or adjustment during these reviews.
- *when taking on new responsibilities* – when assigned new responsibilities or take on additional duties beyond the current job description, it may warrant a discussion about salary adjustments. It is important to articulate how the increased responsibilities contribute to the organization's success and why a salary adjustment is justified.

- *when transitioning to a new role or promotion* – when transitioning to a new role within the same company or receiving a promotion, it's common to negotiate the salary for the new position. It is important to be prepared to demonstrate how the skills, experience, and qualifications align with the requirements of the new role and justify the salary expectations accordingly.

- *in response to market trends or changes* – external factors such as changes in market conditions, industry standards, or cost of living may necessitate a salary negotiation. If one believes the current salary no longer reflects market rates or is insufficient to meet the financial needs, it's appropriate to initiate a discussion about salary adjustments.

- *upon receiving a counteroffer* – when considering a job offer from a new employer and upon receiving the counteroffer from the current employer, there is a great opportunity to negotiate the salary. It is



important to evaluate both offers carefully and consider factors such as salary, benefits, career advancement opportunities, and how these overall fit with the career goals before making a decision.

It's important to approach salary negotiations with professionalism, preparation, and clear communication. Negotiating salary is a normal part of the job search and career advancement process, and it's essential to ensure one's fairly compensated for their skills, experience, and contributions.



Reflect & Discuss

Reflect on the technical, soft, and industry-specific skills needed in finance. Which of these skills do you feel you are most confident in, and which do you believe require more development?

Have you used any international job portals like LinkedIn, Indeed, or Glassdoor in your job search?

What features did you find most helpful, and how can these tools help you understand the job market in your field?

Reflect on the breakdown of a salary structure. How would you prioritize different components (such as basic salary, allowances, and bonuses) when considering a job offer?

Why is it important to understand the deductions from a salary? What impact do taxes, provident funds, and insurance premiums have on your take-home pay?

When do you think it is the right time to negotiate your salary, and why? How would you approach a salary negotiation after receiving a job offer or promotion?

1. Shades of jobs

Let's live our dream in our soul city!

Consider each of your team wants to move from a city to other, please compare cost of living between the 2 cities. Taking into consideration needs and wants estimate a net income you will need in order to live there.

- Team 1: Vilnius-Barcelona
- Team 2: Varna-Florence
- Team 3: Iasi-Amsterdam

2. How to negotiate a salary (role-play)

Age: 18 - 24

Group size: 10-30

Materials: flipchart and markers to summarise OR presentation

Time: 30-40 minutes

This activity aims to teach participants practical negotiation skills using interactive role-play and feedback.

1. First Trial - Improv + Change:

- Participants pair up. One person assumes the role of the job applicant, while the other acts as the employer.
- The "applicant" improvises a salary negotiation based on their current knowledge and instincts.
- The "employer" provides feedback on the applicant's performance, focusing on strengths and areas for improvement.
- Pairs then swap roles.

2. Discussion - Winning strategies and Rules for negotiation:

- After the first round, the group reconvenes for a guided discussion.

- The trainer facilitates a conversation on effective strategies for negotiation, encouraging participants to share observations from the first trial.
- The trainer introduces three essential rules for successful salary negotiation:
 1. **Do your homework:** Research the typical salary range for the role, industry standards, and regional market rates. Be prepared to back up your request with data and examples.
 2. **Be confident, but flexible:** Clearly articulate your value and desired salary, but remain open to compromise, such as benefits, bonuses, or non-monetary perks.
 3. **Focus on mutual benefit:** Frame your request in terms of how your skills and contributions will benefit the company, making it a win-win conversation.
- 3. **Second Trial - Informed Negotiation + Change:**
 - Participants return to their pairs for a second round of negotiations, applying the strategies and rules discussed.
 - Each pair provides constructive feedback after the second trial, focusing on how effectively the new strategies were implemented.

3. Smart goals

Objectives:

- Guide students in setting realistic work and income goals.
- Help students understand how to apply the SMART method to financial planning.
- Encourage critical thinking about career choices and financial independence.

Preparation:

- Divide students into 3-5 per group.
- Provide each team with an outline of the SMART goals.
- Ask students to think about their reasons for working and what they hope to achieve financially.

Understand smart goals

Specific

The goal must be specific and clearly defined. For example, if it involves money, it's useful to think of an exact amount. If it's about experiences, consider what kind they should be.

Measurable

The goal should be measurable so that you can determine whether you have achieved it. For instance, if you write down a specific amount, at the end of the work period, you can compare how much you aimed to earn versus how much you actually earned.

Attainable

The goal should be ambitious but realistic. Expecting a high salary without any work experience or skills is not rational. It's better to research market rates for similar work and calculate how much you could realistically earn.

Relevant

It is crucial that the goal is meaningful to you. If you are passionate about a particular field, financial rewards might be less motivating than the experience and knowledge you gain.

Time-based

It is useful to set a deadline for achieving or measuring the goal. For example, if you want to earn a specific amount over the summer, setting a clear timeframe helps track progress.

Activity Steps (40-60 min)

Step 1: Understanding SMART Goals

Introduce the SMART goal-setting method and explain its components:

- **Specific:** Define a clear goal (e.g., "I want to earn €500 for a new bike").
- **Measurable:** Track progress (e.g., "I will work 10 hours a week at €10/hour").
- **Attainable:** Ensure the goal is realistic (e.g., "This is possible with my schedule").
- **Relevant:** Connect it to personal motivation (e.g., "Having a bike will help me get to school faster").
- **Time-based:** Set a deadline (e.g., "I will save this amount in 3 months").

Questions to Encourage a Discussion About Work and Earnings:

- Why is it important to have the opportunity to earn extra income?
- How does this impact a family's finances?
- What jobs can minors do, and under what conditions?
- How can work experience gained while still in school help in building a future career?
- Where can teenagers look for job opportunities?

Step 2: Setting Personal Work Goals

Students individually or in teams answer key questions to create an earnings plan:

Creating an earning plan:

Earning plan is based on specific questions that will help to determine a work plan/ career path that would suit a young person at the moment.

01 Is there a specific goal for which I want to earn money? If so, how much money do I need to achieve it?

02 What job would allow me to utilize my talents and skills?

03 What kind of job would be interesting to do?

04 Which companies seem attractive to me?

05 How much time per week can I dedicate to work while still having enough time for studies, rest, and leisure?

06 What can I write about myself and my desire to work in a cover letter to convince an employer that my intentions are serious and that my skills and determination make me a good fit for the desired position?

Step 3: Discussion & Reflection

Each team presents their earnings plan and explains their decisions.

- Why did they choose this goal?
- What challenges might they face in achieving it?
- How will they stay motivated if progress is slow?

Note:

- Discuss how goal-setting can help with future financial planning.
- Reflect on how work experience gained at a young age can contribute to long-term career growth.
- Encourage students to revisit and refine their goals as their priorities change.

Treasure hunt on financial terms (Revising activity)- General Revision (Applicable Across Multiple Chapters)

This activity is a fun and interactive way to reinforce key financial literacy concepts, perfect for a revision or wrap-up session. The group will work in teams and visit different locations, each hosted by a volunteer or facilitator. At each location, the team will face a challenge related to financial literacy—these challenges could involve tasks like comparing different types of loans, choosing the right definition for financial terms, or arranging the rules for achieving financial independence in the correct order.

To move on to the next location, teams must successfully solve the challenge. Each solved challenge earns the team some “money” to add to their pot. But there’s a catch! Some challenges might include complications—such as adjusting a family’s monthly budget to meet their financial goals—which, if solved correctly, will earn the team a bonus.

The first team to reach the final destination wins an extra prize in the form of additional “USD,” while the second and third-place teams will receive smaller prizes (50 and 25 USD respectively). The teams that complete the most challenges and gather the most money throughout the hunt will be the winners.

Example Challenges:

1. **Loan Comparison:** Teams are given two loan offers with different terms and must decide which one is more advantageous based on factors like interest rates and repayment schedules. -> **Chapter 5: The Essentials of Retail Banking: From Accounts to Loans**
2. **Budget Reproportioning:** A family’s budget is given, and teams must reorganize it to meet a new monthly savings goal, ensuring they don’t overspend.→ **Chapter 2: Budgeting Basics**
3. **Financial Definitions:** Teams will receive a list of terms like “interest rate,” “credit score,” and “savings account.” They must match each term with the correct definition or choose the most accurate explanation from a list of options.→ **Chapter 1: Introduction to Financial Education** (General financial literacy concepts)

The Personal Budget

Objective

... to aid readers in understanding the importance of managing personal finances by tracking income and expenses.

Learning outcomes:

- understanding how to compute their own budget.
- identifying the main sources of income and expenses.

How can I compute my own budget?

Tracking monthly expenses is an essential step in understanding personal finances and planning for the future. Start by reviewing all the costs that occur throughout the month. These might include regular bills such as rent or mortgage payments, utility bills for electricity, water, and gas, and subscriptions like internet or phone services. Other monthly commitments may include health or car insurance, loan repayments, and memberships to various services. These are fixed expenses that come up consistently, and knowing how much is spent on them each month helps to establish a baseline budget.

In addition to the fixed expenses, it's also important to track variable costs. These are expenses that change from month to month. Examples include spending on groceries, transportation (whether it's fuel, public transportation, or parking), dining out, entertainment, and healthcare. These costs can fluctuate, so it's a good idea to keep track of them to get a clear picture of where the money is going.

Sometimes, there are expenses that don't happen every month but still need to be accounted for. These could include one-off purchases, occasional trips, or irregular payments like annual fees or gifts. These should be categorized as "Other expenses this month." Tracking these as well will ensure that all financial outflows are covered, helping to plan for future months. Using this information, a clear budget can be made for the following month, with a better understanding of spending habits and areas for improvement.

Tracking my monthly income

Here are the main categories of income or salary-related sources.

Income sources	Monthly
Paychecks	A
Salary 1 (primary salary income from a job or employment)	?
Salary 2 (additional salary income, possibly from another job or freelance work)	?
Commissions/Bonuses (earnings from performance-based incentives or bonuses, often tied to sales or targets)	?
Independent Income	B
Independent Income 1 (income generated from freelance work, consulting, or other self-employed activities)	?
Royalties (earnings from intellectual property, such as books, music, patents, etc.)	?
Investment Income	C
Dividends (profits distributed from shares of stock or other business investments)	?
Asset Sales (income generated from selling assets such as property, equipment, or other valuable items)	?
Pension (regular income received after retirement from a pension plan or government scheme)	?
Rent (income received from renting out property or land)	?
Interest (income earned from savings, bonds, or loans)	?
Other (any other form of income that doesn't fall into the categories above)	?
Total monthly income	A+B+C

Tracking my monthly expenses

Here are the main categories of expenses that one must consider.

Sources of expense	Monthly
Housing	A
Rent or mortgage	?
Renter's insurance or homeowner's insurance	?
Utilities: electricity	?
Utilities: gas	?
Utilities: water and sewerage	?
Utilities: garbage collection	?
Internet, cable, and phones	?

BUDGET TIME: O PERSPECTIVĂ NON-FORMALĂ ASUPRA EDUCAȚIEI FINANCIARE

Sources of expense	Monthly
Maintenance and repairs	?
Household products (e.g., cleaning supplies, toiletries, and other household necessities)	?
Other housing expenses (like property taxes)	?
Food	B
Groceries and household supplies	?
Meals out	?
Other food expenses	?
Transportation	C
Public transportation and taxis	?
Gas for car	?
Parking and tolls	?
Car maintenance (like oil changes)	?
Car insurance	?
Car loan	?
Other transportation expenses	?
Health	D
Medicine	?
Health insurance	?
Other health expenses (like doctors' appointments and eyeglasses)	?
Personal care	E
Hairdresser	?
Clothing	?
Cleaning	?
Fitness Club	?
Association Fees	?
Entertainment	?
Other	?
Family care (where applicable)	F
Child care	?
Child support	?
Money given or sent to family	?
Clothing and shoes	?
Laundry	?
Donations	?
Entertainment (like movies and amusement parks)	?

BUDGET TIME: O PERSPECTIVĂ NON-FORMALĂ ASUPRA EDUCAȚIEI FINANCIARE

Sources of expense	Monthly
Other personal or family expenses (like beauty care)	?
Finance	G
Fees for cashier's checks and money transfers	?
Credit/Loans reimbursement	?
Savings account	?
Investment account	?
Prepaid cards and phone cards	?
Bank or credit card fees	?
Other fees	?
Pets	H
Food	?
Medical	?
Care	?
Toys	?
Other related expenses	?
Other	I
School costs (like supplies, tuition, student loans)	?
Lawyer	?
Alimony	?
Other payments (like credit cards)	?
Other expenses this month	?
Total expenses	A+B+C+D+E+F+G+H+I

Understanding the result

Income minus **Expenses** gives you an overview of your **financial situation**.

If your income exceeds your expenses, you have extra money that can be saved or spent as you wish. This is a good opportunity to set aside funds for future goals, like building an emergency fund or investing.

However, if your expenses are higher than your income, it's time to take a closer look at your budget. Review your spending habits and identify areas where you can cut back. This might involve reducing discretionary spending or finding ways to save on essential expenses. Balancing your income and expenses ensures that you're living within your means and staying on track financially.

Main Takeaways

Objective

... to provide readers with a concise summary of the main topics covered in the previous chapters, reinforcing the essential skills and knowledge needed to make informed financial decisions, manage personal finances effectively, and navigate the financial landscape confidently.

Chapter 1 introduced the concept of financial literacy, emphasizing its importance in making informed decisions about money. Readers learned that financial education builds the foundation for long-term financial well-being, highlighting the five key financial competencies: saving, investing, earning, sharing, and spending. These competencies provided a structured framework for understanding effective money management.

Chapter 2 focused on budgeting as a fundamental financial tool. The content explained what a budget is, underscored the importance of setting financial goals, and clarified the distinction between needs and wants. Readers were guided through the essential steps of creating a budget, offering practical advice for managing personal finances. Additionally, a practical resource titled **The Personal Budget** was included to help apply the concepts learned in this chapter.

Chapter 3 explored financial planning, offering insights into its significance for achieving both short- and long-term financial stability. The chapter outlined the benefits of financial planning and introduced seven types of financial planning, including budgeting, saving, investing, and retirement planning. Readers gained a comprehensive understanding of how these elements work together to create a roadmap for financial success.

Chapter 4 addressed the differences between saving and investing, highlighting their roles in achieving financial security and growth. Readers examined the unique characteristics of each approach, including the safety and accessibility of savings versus the risks and rewards of investing. The chapter emphasized the importance of balancing these two practices while incorporating real-world statistics to contextualize financial decisions.

Chapter 5 delved into retail banking, offering an overview of the products and services available to individual consumers. The chapter explained the role of retail banking in managing personal finances, with a focus on checking accounts and loans. Readers gained practical

knowledge on how to navigate the banking system and select appropriate financial tools to meet their needs.

Chapter 6 introduced the principles of investing, starting with the concept of risk-return tradeoff. Readers explored various types of investments, such as stocks, bonds, and mutual funds, and learned how these options contribute to building a diversified portfolio. The chapter aimed to equip readers with the ability to evaluate investment opportunities and make informed choices.

Chapter 7 covered insurance and private pensions, emphasizing their importance in managing financial risks and securing future stability. Readers explored different types of insurance policies and their benefits, along with the process of joining a privately managed pension fund. The chapter highlighted how these tools protect against uncertainties and support retirement planning.

Chapter 8 provided an introduction to entrepreneurship, defining what it means to be an entrepreneur and examining the qualities necessary for success. Readers learned about the four types of entrepreneurship and explored financial tips for starting and growing a business. The chapter encouraged financial independence and highlighted strategies for achieving long-term business success.

Chapter 9 focused on financial consumer protection, offering guidance on recognizing and avoiding financial fraud and scams. The chapter outlined the common types of scams and provided practical tips for safeguarding personal finances. Readers gained a deeper understanding of their rights as financial consumers and how to navigate the risks associated with financial products and services.

Chapter 10 explored the job market, particularly within the finance sector, emphasizing the skills needed to succeed. The chapter provided an overview of job opportunities in the European Union, guidance on salary structures, and tips for negotiating salaries. Readers gained confidence in preparing for a career in finance and understanding the dynamics of the job market.

At the end of the manuscript, a **Glossary** with concise definitions of key terms/concepts used throughout the book.

Glossary

A

account number – a unique identifier assigned to each bank account, used for transactions and tracking.

added value – the contribution of a sector to the economy, measured as the difference between output and intermediate consumption.

allowances (salary) – additional payments for specific expenses like housing or transportation.

appreciation – the increase in an asset's value over time.

asset – anything of material value owned by an individual or company.

asset management – the process of managing investments such as stocks, bonds, and mutual funds, with the goal of growing and protecting financial assets.

auto insurance – insurance that protects against losses related to vehicle ownership and accidents, including liability, collision, and comprehensive coverage.

automated teller machine (ATM) – a machine that provides customers with access to their bank accounts for withdrawals, deposits, and account inquiries.

B

bad debt – debt taken on for items that a consumer does not need and cannot afford.

bank – a financial institution that invests money deposited by customers, provides loans and exchanges currency.

bank fees – charges levied by a bank for various services, such as ATM withdrawals, account maintenance, or overdrafts.

basic salary – fixed portion of income as the foundation of compensation.

bonds – debt securities where an investor loans money to an issuer (e.g., government or corporation) in exchange for periodic interest payments and the return of principal at maturity.

bonuses and incentives (salary) – rewards for achieving performance targets.

budget – a financial plan designed to help individuals manage their income, savings, and expenditures.

budgeting – creating a plan for managing income and expenses to ensure financial stability and alignment with goals.

business plan – a detailed document outlining a business's goals, strategy, financial projections, and plans for success.

C

capital – wealth in the form of money or property.

capital preservation – the investment goal of protecting the initial investment from losses, often associated with low-risk investments such as savings accounts.

cash flow – the total amount of money being transferred into or out of a business, account or an individual's budget.

cash flow planning – the process of assessing and managing the movement of money into and out of an individual's finances, ensuring that financial goals are met and sufficient savings are available for emergencies.

Certificate of Deposit (CD) – a savings certificate issued by a bank, depositing money for a specified length of time.

claims – a request made by the insured to the insurer for compensation or coverage of a loss.

collateral – an asset pledged by a borrower to secure a loan, which can be seized by the lender if the borrower fails to repay.

collision coverage – auto insurance coverage that pays for damage to one's own car due to a collision.

commodities – tangible assets like energy resources, agricultural goods, and metals, which can be traded as investments.

common stock – a type of stock that allows shareholders to vote at meetings and receive dividends.

compound interest – interest calculated on both the principal and the accrued interest.

compounding – the process of earning returns on both the initial investment and the accumulated interest or gains from previous periods.

comprehensive coverage – auto insurance that covers non-collision damages such as theft, vandalism, or natural disasters.

consumer banking – another term for retail banking, focused on serving personal customers with services like checking accounts and personal loans.

credit card – a card issued by a bank or other business for purchases using borrowed funds to be paid pay back later.

credit card fraud – unauthorized use of credit card information for financial gain.

credit limit – the maximum dollar amount that can be charged on a specific credit card account.

credit rating – a financial institution's evaluation of an individual's ability to manage debt.

credit risk – the risk that a borrower or institution will default on a loan.

credit score – a number representing a person's creditworthiness, based on past credit and payment history.

Credit Union – a member-owned, not-for-profit financial institution that offers similar services to banks but with an emphasis on serving the financial needs of its members.

creditor – a person or business to whom money is owed.

creditworthiness – an assessment of a borrower’s ability to repay a loan, often determined by credit scores, income, and other financial factors.

cryptocurrency – a type of digital or virtual currency that uses cryptography for security; unlike traditional currencies issued by governments (fiat currencies), cryptocurrencies operate on decentralized networks based on blockchain technology (a distributed ledger enforced by a network of computers, or nodes).

D

debit card – a card that allows consumers to make purchases using money from their checking account.

debt – the state of owing money to another individual or business, or the amount of money borrowed.

debt repayment strategy – a plan for managing and paying off debts, which may be a crucial component of financial planning to improve overall financial health.

debt-to-income ratio – a financial measure used by lenders to assess a borrower’s ability to repay a loan, calculated by dividing the borrower’s monthly debt payments by their monthly income.

deductions (salary) – mandatory amounts subtracted from gross salary, including taxes and social security.

digital financial services – financial products and services offered through digital platforms, such as mobile banking and online payment systems.

disability benefits – benefits provided by a pension plan to an individual who becomes disabled and unable to work.

diversification – the strategy of spreading investments across various asset classes and sectors to reduce the risk of a portfolio.

dividend – a sum paid regularly by a company to its shareholders.

E

earning – the process of generating income through work, investments, or entrepreneurial ventures.

economic resources – key factors in production, including land, labor, capital, and entrepreneurship.

education planning – financial strategies designed to save for and fund educational expenses, especially higher education costs for dependents.

emergency fund – a savings buffer set aside to cover unexpected expenses or financial emergencies, often an important first step in financial planning.

entrepreneur – an individual who establishes a new business, assuming significant risks and reaping most of the rewards.

entrepreneurship – the act of starting and managing a business, often involving significant risk, with the potential for profit and growth.

EURES – The European Employment Services network for cross-border job opportunities.

expenses – fixed – recurring costs that remain the same amount every month or year, regardless of changes in income or consumption; examples include rent or mortgage payments, insurance premiums, and subscription services

expenses – variable – costs that fluctuate based on usage, consumption, or other factors, and can vary from month to month; examples include groceries, entertainment, utilities (like electricity and water), and transportation costs

F

financial competencies – the essential skills involved in managing money, including saving, investing, earning, sharing, and spending.

financial consumer protection – policies and regulations aimed at ensuring fair and responsible treatment of financial consumers.

financial cushion – savings and investments set aside to protect against unexpected financial emergencies.

financial decision-making – the process of making choices related to money management, such as investments, savings plans, and loans.

financial education – the process of learning and acquiring knowledge, tools, and strategies to improve financial literacy and enable individuals to manage money effectively.

financial fraud – deceptive practices aimed at gaining unauthorized access to financial assets.

financial freedom – the state of having sufficient income, savings, or investments to support one's lifestyle and make choices without financial stress.

financial goals – a roadmap, guiding individuals toward what they aim to achieve with their money and helping them align their financial decisions with their personal priorities.

financial inclusion – ensuring that individuals and businesses have access to affordable financial products and services.

financial independence – the result of consistently applying financial knowledge, reaching a point where individuals no longer depend on traditional jobs or external sources to support their lifestyle; being financially independent means having sufficient income, savings, or investments to live comfortably for life and meet all of one's obligations without relying on a paycheck.

financial instruments – assets such as stocks, bonds, or mutual funds that can be bought and sold in financial markets.

financial literacy – the ability to understand and apply financial concepts, such as managing personal money, budgeting, saving, investing, and borrowing, to make informed and effective decisions; it is a fundamental skill that enables individuals to navigate the complexities of personal finance and make choices that align with their goals and values.

financial milestones – key financial achievements or events, such as buying a home, funding education, or achieving retirement, that are set within a financial plan.

financial monitoring and adjustment – the ongoing process of tracking progress toward financial goals and making adjustments to strategies as necessary.

financial planner – a professional who assists individuals or families in creating a financial plan by offering expert advice, tailored solutions, and asset management services.

financial planning – the process of assessing an individual's or family's financial situation and creating a comprehensive plan to achieve future financial goals, encompassing various areas such as investing, taxes, savings, retirement planning, insurance, and estate management.

financial tools – the various methods, techniques, and strategies used to manage, invest, or grow wealth, such as budgeting apps, investment accounts, and financial advisors.

financial well-being – the state of an individual of having financial security and resilience to meet current and future financial obligations.

fixed deposit – a type of savings account where money is deposited for a fixed term, usually offering higher interest rates than regular savings accounts, but with penalties for early withdrawal.

futures contracts – agreements to buy or sell a commodity at a future date at an agreed-upon price.

G

goals (achievable) – the goal can be reached by taking actionable steps, breaking it down into smaller, manageable tasks.

goals (long-term) – goals which usually extend beyond five years and involve significant planning and commitment.

goals (measurable) – there are clear milestones to track progress and evaluate how close you are to achieving your goal.

goals (medium-term) –goals which generally span between three to five years and may involve saving for larger expenses.

goals (realistic) – the goal is feasible based on your available resources, such as time, money, support, and external factors. Each goal may require different resources to succeed.

goals (short-term) –are objectives an individual wants to accomplish within the next one to three years.

goals (specific) – the goal is clearly defined, with a precise monetary target.

goals (time-bound) – the goal has a set deadline or timeframe for completion.

good debt – the concept that sometimes it is worth taking on certain types of debt in order to generate income in the long run; common examples include college education debt and real estate.

gross income – the total amount of money an individual has earned before taxes are taken out.

H

hacker – a hacker is a person who breaks into a computer system; the reasons for hacking can be many: installing malware, stealing, or destroying data, disrupting service, and more.

health insurance – insurance that covers medical expenses arising from illness or injury.

home insurance – insurance that covers the cost of repairing or replacing a home due to damage caused by various risks such as fire, theft, or flooding.

household investment rate – the percentage of disposable income allocated to investments, such as in housing or financial assets.

household saving rate – the percentage of disposable income that households save, typically used to measure financial security and trends.

I

identity verification – the process used by banks to confirm the identity of a customer to prevent fraud and ensure compliance with regulations.

income – the money received regularly, either as payment for work or through investments; examples include salaries, wages, business profits, dividends, interest, or rental income.

inflation – the rate at which the general level of prices for goods and services rises, eroding purchasing power.

inflation risk – the risk that inflation will erode the purchasing power of returns.

in-hand/take-home salary – net salary received after all deductions.

initial deposit – the first deposit made to open a bank account, which may vary depending on the account type and bank policies.

innovation – the introduction of new ideas, products, or services that add value to the market.

insurance – a financial tool used to manage risks and protect against financial loss by transferring the risk to an insurer.

insurance planning – the process of selecting appropriate insurance policies to provide financial protection against unexpected risks, including life, health, auto, and property insurance.

insurer – the company or entity that provides insurance coverage.

interest – the amount earned on saved money, typically paid by banks or financial institutions on savings accounts or CDs.

interest rate – the percentage at which interest is charged or earned on loans or deposits.

interest rate risk – the risk that changes in interest rates will affect the value of bonds.

intermediary – a financial institution, such as a retail bank, that facilitates the flow of funds between depositors and borrowers (and, in general, perceives some fees).

investing – the process of allocating money to financial instruments like stocks, bonds, and mutual funds to generate higher returns over the long term, involving some level of risk.

investment – an asset purchased with the expectation of generating income or selling it at a higher price in the future.

investment fraud – deceptive practices in offering or selling investments.

investment planning – a strategy for allocating funds into various investments in order to achieve financial goals, with a focus on risk tolerance, expected returns, and diversification.

investment portfolio – a collection of investments (e.g., stocks, bonds, real estate) held by a pension fund or individual.

investment risk ladder – a tool that ranks investments from low risk/low return to high risk/high return, helping investors make decisions based on their risk tolerance.

J

job – a specific arrangement where you do tasks for an employer.

job application – an official form that employers ask all applicants for a position to fill out.

job market/labor market – the conceptual space where employers and job seekers interact to match labor supply and demand.

L

large company entrepreneurship – the creation of new business divisions within an established company to capitalize on new market opportunities.

liability coverage – a part of auto insurance that covers bodily injury and property damage caused to others in an accident.

liquidity – the ease with which assets can be converted into cash without significant loss of value.

liquidity restrictions – limitations on how easily an investment can be sold or converted into cash.

liquidity risk – the risk that an asset cannot be quickly converted into cash without a significant loss.

loan (mortgage-backed) – a type of loan secured by the borrower’s real estate property, often used for home purchases.

loan (personal) – a loan provided by a bank to an individual for personal use, often unsecured and requiring repayment with interest over time.

loan (secured) – a loan that requires collateral (e.g., property or vehicle) to back the loan in case the borrower defaults.

loan (unsecured) – a loan that does not require collateral, typically based on the borrower’s creditworthiness.

loan approval – the process by which a lender agrees to provide a loan after evaluating the borrower’s financial status and ability to repay.

loan term – the length of time over which a loan must be repaid.

long-term disability insurance – insurance that provides income replacement if an individual becomes unable to work due to long-term illness or injury.

M

management fees (pension fund) – fees charged by pension fund administrators for managing the pension fund’s investments.

market volatility – the degree of fluctuation in the market, which can lead to gains or losses in investments.

mobile banking – a service that allows customers to manage their bank accounts via mobile apps on smartphones, offering 24/7 access to banking features.

mortgage – a loan secured in order to purchase property.

mutual funds – pooled investments where many investors combine their money to invest in a diverse set of assets.

N

needs – the basic items required for one’s overall health and well-being, whether it’s physical, emotional, mental, or financial; who will stop spending money on their needs, it would likely lead to serious negative consequences.

neobank – A digital-only bank that operates without physical branches and typically offers banking services through online and mobile platforms.

net asset value (NAV) – the value of an investment in a mutual fund, calculated by the current market value of its assets.

net turnover – the total revenue generated by businesses in a sector before expenses.

non-profit social entrepreneurship – social entrepreneurship aimed at benefiting society, with surplus earnings reinvested into the mission rather than distributed to investors.

O

online banking – a service that allows customers to access and manage their bank accounts over the internet, including transferring funds and paying bills.

overdraft – a situation where a bank account has a negative balance, often resulting in fees and interest charges.

over-the-limit fee – a fee charged by the card issuer when they process/pay a transaction on your behalf greater than the amount available within your credit limit.

online shopping – a form of electronic commerce which allows consumers to directly buy goods or services from a seller over the internet using a web browser or a mobile app.

occupation – describes a type of work with associated tasks, education and training, typical wages, work settings, and more.

opportunity cost – the loss of potential gain from other alternatives when one option is chosen.

overdraft fees – fees incurred when a customer withdraws more money from an account than what is available in the account.

P

payment fraud – deceptive practices to gain unauthorized financial transactions.

pension – a retirement plan established by an employer, usually in the public sector nowadays.

pension fund – a type of retirement plan where money is set aside and invested to provide income in retirement.

pension portability – the ability to transfer pension benefits from one employer to another or between different pension plans.

personal identification number (PIN) – a secure numeric code used by customers to access their accounts and authorize transactions.

philanthropic planning – a strategy for making charitable contributions, ensuring that donations are made efficiently while maximizing impact and potential tax benefits.

phishing – cybercrime that uses deceptive tactics to obtain sensitive personal and financial information.

pillar II pension (mandatory private pension) – a pension fund into which a portion of the social insurance contributions are directed to provide additional retirement savings.

pillar III pension (voluntary private pension) – a voluntary pension fund where individuals or their employers contribute to accumulate additional retirement funds.

Ponzi scheme – a fraudulent investment operation that pays returns to earlier investors using capital from newer investors.

preferred stock – a type of stock that typically offers dividends before common stockholders but without voting rights.

premium – the amount of money paid periodically to an insurer for coverage.

principal – the initial amount of money borrowed in a loan or deposited in a savings account.

private pension – a pension plan provided by private entities, supplementing the public pension system to ensure additional retirement savings.

profit – money that is made in a business, through investment, etc., after all the costs and expenses are paid.

property – anything that a person or a business has legal title over, such as real estate, personal property, or intellectual property.

Q

quantitative and analytical skills – abilities to process numerical data, evaluate risks, and make informed decisions.

R

real estate – property consisting of land and the buildings or structures on it, which can generate income or profit.

real estate investment trusts (REITs) – investment vehicles that pool funds from multiple investors to purchase and manage real estate properties.

real estate planning – a strategy for investing in real estate, often focused on properties as a stable way to grow wealth and generate passive income through rental properties.

refund fraud – requesting refunds for purchases made with stolen card information.

resume – a brief outline of one's professional and educational experiences and qualifications, used for the purpose of gaining employment.

retail banking – a division of banking that deals directly with individual customers, providing services like savings accounts, loans, and credit cards.

retirement age – the age at which an individual is eligible to begin receiving pension benefits.

retirement planning – the process of creating a strategy to secure financial independence in retirement, often involving the Three-Pillar Pension System, including public, employer-sponsored, and voluntary private savings plans.

return on investment (ROI) – a measure used to evaluate the efficiency or profitability of an investment relative to its cost.

risk – the potential for loss or volatility in an investment's value.

risk management – the process of identifying, assessing, and mitigating risks associated with starting and running a business.

risk management skills – the ability to assess and mitigate financial risks.

risk tolerance – an individual's ability and willingness to endure the potential losses in their investment portfolio in pursuit of higher returns.

risk tolerance – an individual's ability and willingness to endure market fluctuations or potential losses in investments in exchange for the potential of higher returns.

risk tolerance – an investor's comfort level with taking on risk in their investments.

risk-return tradeoff – the relationship between the potential return on an investment and the associated risk.

S

saving – the process of setting aside a portion of income in a secure place, such as a savings account or certificate of deposit, for short-term financial needs or emergencies; it reflects the sacrifice of current consumption in favor of a future one.

scalable startup – a business model designed to rapidly grow and expand, often with external funding.

shareholder – an owner of shares of stock in a company. **stockbroker** – A professional that helps investors buy, sell and trade stocks on the stock market.

sharing – the act of distributing wealth, time, and resources, often through philanthropy or supporting causes aligned with personal values.

skimming – use of hidden devices to steal card information during legitimate transactions.

small business entrepreneurship – starting a business with the intention of keeping it relatively small, often funded by personal investments.

smishing – phishing conducted through SMS messages.

social engineering – manipulative tactics used to trick individuals into divulging confidential information.

social entrepreneurship – business initiatives focused on solving social or environmental issues rather than prioritizing profit.

soft skills – personal attributes enhancing interpersonal interactions, e.g., communication, teamwork, adaptability.

solidarity principle – the concept of pooling risks among a group to provide mutual protection against potential losses.

spear phishing – targeted phishing attacks personalized for specific individuals or organizations.

spending – the allocation of resources towards goods, services, and experiences, often guided by personal goals and needs versus wants.

stock market – a market in which shares of stock are bought and sold.

stocks (equities) – investments that represent ownership in a company, offering potential returns through capital appreciation and dividends.

student loan – a loan offered to students for education-related expenses that must be repaid.

sustainable finance – financial services incorporating environmental, social, and governance (ESG) factors.

T

tax deductions – reductions in taxable income, often provided as incentives to contribute to pension plans.

tax exemption – a factor that reduces or eliminates a person's obligation to pay tax.

tax planning – the process of identifying strategies to minimize tax liabilities, which may involve investing in tax-saving instruments and managing taxes throughout the year to maximize deductions and credits.

tax(es) – a compulsory payment by individual/organizations to the government; fees placed on income, property, or goods to support government programs.

tax-deferred – refers to investments, like retirement accounts, where taxes on income or gains are delayed until the funds are withdrawn.

term life insurance – life insurance that provides coverage for a specific period (e.g., 10, 20, or 30 years) with fixed premiums.

time horizon (investor) – the period of time an investor plans to hold an investment, impacting their risk tolerance and investment choices.

total return – a combination of income and capital appreciation from an investment.

travel insurance – ensures an individual has access to quality medical care when abroad; or, insurance that protects you.

trigger event – an event or condition that activates the insurance policy and requires the insurer to pay out.

V

venture capital – funding provided to businesses, often startups, with high growth potential in exchange for equity.

vesting period – the time period an individual must work for an employer before they are entitled to certain pension benefits.

vishing – voice phishing conducted through phone calls.

W

wants – items or services that a person would like to have but are not essential for life; cutting back on these items might feel uncomfortable, but it wouldn't affect the ability to get by.

whaling attack – phishing attacks targeting high-level executives.

whole life insurance – a type of life insurance that provides both a death benefit and a cash value component that grows over time.



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