

How to Improve Your Financial Literacy

1. Prioritizing Saving

Obviously, saving is an important aspect of maintaining a healthy financial situation. But, the majority of students don't prioritize this aspect as much as they should. It's easy to ignore things like retirement since it seems so far off in the future.

Learning to save early on can help you gain the knowledge, practice and set of skills you'll utilize throughout your entire life.

Beginners can start working on this concept in the simplest sense, like saving money for a higher-ticket item they desire. Working toward a goal is key here and students need to understand that there's a lot of value in paying yourself first – because the bills will always be there. Having peace of mind? Well, that comes with practice, diligence and patience, all qualities you'll develop when mastering your savings skill set.

2. The Basics of Budgeting

Creating and maintaining a budget is one of the most basic aspects of staying on top of your finances. In this modern day, it's easier than ever to create a budget with the help of websites and apps.

It doesn't matter if math isn't your strong suit - thanks to these user-friendly tools, everyone can get help with keeping their finances on track. And, when utilized properly, they'll keep you in the know about where your money is actually going.

3. Understanding Interest Rates

While you may touch upon the concepts within a mathematics course, it's important to understand different aspects, like compound interest. Why? Not only can it help you save even more, but it can make the difference between borrowing a small amount and paying back much more than you need to for years to come.

Understanding the ins and outs of interest can impact your finances more than you likely realize, so it's an important concept to gain a better understanding of early on in life.

4. Identity Theft Issues & Safety

In this modern day and age, identity theft is more prevalent than ever. Since everything is digital and just about everyone has shopped online at one point or another, your financial information is more vulnerable to fraud. Understanding this concept, along with preventative measures, like password protection and limiting the

amount of information shared online can be the key to maintaining safe accounts or, inversely, can lead to financial ruin.

James R. Jefferson, the founder and chief editor of LegalCreditRepairServices.com has been analyzing the industry for two decades.

While it's not a fool proof science (people can be safe and things do still happen) it's important to safeguard your finances as best as possible to avoid the threats that exist.

5. Credit-Debt Cycle Traps

Meaning: it's much easier to lose credit than gain it, and many students don't realize how easy it is to ruin their credit. Or how difficult it can be to regain credit – before it's too late. That's why it's crucial to provide knowledge on debt earlier than later.

Credit can be an extremely useful tool – if it's managed correctly. Making rash decisions when you're young can end up costing you throughout adulthood so it's important to grasp the concepts and tools behind responsible credit practices as early on as possible.