

Examine the Importance of Personal Financial Planning and Financial Literacy Training toward Improved Personal Savings in PNG

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ABSTRACT

This research paper discusses the importance of implementing financial planning and financial literacy to improve personal savings in Papua New Guinea. The main research question to assess the current saving culture in Papua New Guinea and identify whether Papua New Guineans have begun to consider it as useful and helpful in their financial lifestyle. This research study was to understand and identify how to increase or improve the financial literacy levels of individuals, how to influence the savings culture upon individuals in PNG and to implement more financial planning and management methods to improve the personal savings of individuals. This research carry out primary research through questionnaires and surveys that were sent out via Google forms. Financial literacy should be taught in High schools as a subject because they have now seen the importance of proper financial planning and financial literacy among people.

Keywords: *Financial literacy; Behavioral finance; Financial planning; Personal savings; Budget; Personal finance.*

1.0 Introduction

In today's changing global economy and complex financial environments, it is essential to save money or have some kind of personal savings set aside, personal savings is essential to build wealth and securing a stable financial future that allows people to feel financially safe when emergencies or unplanned expenses occur however, many people are held back by their financial literacy level. Throughout the world and especially in developing countries, a lot of people are struggling to save money because of their financial literacy level. Being financially literate or financially educated enables people to understand how, why, when, where, and what to save as a result, it is important that people are aware of personal financial planning.

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Personal financial planning is simply a comprehensive plan that safeguards people from unexpected spending which involves setting financial goals, creating budgets, managing debts, insurance protection, and investments. Therefore, in today's day and age, both personal financial planning and financial literacy go hand in hand to improve personal savings and create that habit of saving money. Personal Finance refers to the management of funds such as income earned, salary, or revenue coming in by creating budgets that can effectively help individuals to control their spending and investments. Understanding personal finance can include creating and planning to budget, knowing how to obtain funds, saving for early retirement, planning for taxes, and making informed decisions about possible investments.

As stated by Tara Siegel Bernard spending is as easy as pushing a button but the hard part is keeping money in your pockets thereby it is recommended that there are apps for budgeting to make it easier and more flexible for people to save more rather than spend more. Nowadays individuals are not aware of the importance of saving money and cannot create or plan a budget mainly because people are lazy or do not have the basic resources to create a savings culture for themselves. However, in an economy where it is rapidly changing it is crucial that people are aware that saving money is beneficial for themselves in the long run and understand that financial planning and management should be a priority in people's daily lives. As the economy fluctuates daily, it is evident that the prices of goods and services all around the world are increasing especially the prices of fuel and as a result, many individuals are struggling financially especially low to medium- income earners.

Many individuals due to a lack of basic financial literacy have been deterred from embracing moderate financial products, and making sound personal financial planning decisions (Hilgert, *et al*, 2003; Agnew & Szykman, 2005; Alessie, *et. al.*, 2007; Agarwal, *et al* 2007; Lusardi & Mitchell, 2005; 2007; Lusardi, 2008a; 2008b; Cory & Pickard, 2008), as well giving necessity of high focus and commitment to their financial plans.

The Bank of Papua New Guinea Governor, Loi Bakani has mentioned that "many Papua New Guineans lack a savings culture and continuously spend their earnings without the proper budget for savings and expenditure". In Papua New Guinea there is still a need to develop a savings culture, due to the high cost of living and high bank fees in Papua New Guinea, ordinary people cannot save and generally, a majority of the working class does not save money as well.

It has now come to the point where developing countries like Papua New Guinea must encourage their people to adapt to the savings culture by providing and conducting financial literacy training. Personal savings in Papua New Guinea is a huge problem mainly because of the current economic situation experienced all over the world and in Papua New Guinea which includes the negative impacts of Covid 19 affecting businesses, individuals, and the global economy as a whole. Negative impacts of Covid 19 such as people becoming jobless, price inflation on goods and services because of fewer resources available, businesses shutting down due to no revenue generated and even global markets crashing have caused individuals to face financial struggles as a result of the high costs of living. So there is a need for the study to understand financial literacy.

1.1 Objectives of study

- To measure the financial literacy levels of individuals.
- To identify the Influence the savings culture upon individuals in Papua New Guinea.

1.2 Significance of the study

Generally, the importance of this research study is essential for people so that they can make informed and educated financial decisions that will benefit them in the long run as well as this research will give people an insight as to how, when, why, where, and what to save.

1.3 To the government

The significance of this study is essential to the government because the government is currently encouraging people to develop a savings culture through commercial banks and National superannuation funds that Nasfund has provided for the people.

1.4 To the population of PNG

On the other hand, this study will overall help the general public and the population of Papua New Guinea by providing them with ways that can help them out of financial struggles and hardships. As the non-government organisations continue to partner with commercial banks to provide financial literacy programs, it has improved people's financial knowledge and as result, people are now more educated and aware before entering into any loan agreements and loan schemes.

Additionally, this study will showcase the specific types of people who are really in need of basic financial knowledge thus the research will further explain why individuals are not capable of saving money in PNG. The importance this research will benefit the people living in a developing country such as Papua New Guinea, where the economy is currently facing a rise in inflation resulting, in the prices of goods and services increasing drastically. In such circumstances many individuals will be struggling to save money actively because of the economic pressures however, this research will hopefully give insight and help people to learn how to save money as well as equip them with the financial knowledge to survive in such economic pressures.

2.0 Review of Literature

The research paper titled "Financial Literacy and Personal Financial Planning in Klang Valley, Malaysia" by Tan Hui Boon, HoE SIEW YEE, et al. (2011) where the research recommended that individuals who were yet to understand the concept of personal financial planning were restrained by their financial literacy level and were not able to successfully plan out their budget. As the research was carried out it was revealed that there was still a knowledge gap at the individual level that was hindering people from effectively managing

their financial affairs. Some studies about personal financial literacy concerning students show that students lack knowledge about finance (Chen & Volpe, 1998), students have a lack of knowledge about finance (Lutfi & Iramani, 2008), rates of financial literacy of students are not high (Beal & Delpachitra, 2003), rates of financial literacy of students are not optimum and categorized low (Ayu, et al. 2010).

There are both internal and external factors influencing personal financial literacy, which can be categorised as demographic/personal (Chen & Volpe 1998; Worthington 2006; Beal & Delpachitra 2003; Cude, et al. 2006;), social and economic characteristics (Worthington, 2006), financial experience (Mandel 2001; Peng, et al. 2007), financial education (Mandel 2001; Peng, et al. 2007), economic condition (Worthington 2006), family characteristics (Mandel 2001; Lusardi, et al. 2010) aspirations (Mandel 2001), and geographic location (Mandel 2001). The factors that are analysed are demographic characteristics, financial education, and financial experience.

The elements categorised as demographic characteristics are gender (Beal & Delpachitra, 2003; Chen & Volpe, 1998; Mandell, 2001; Worthington, 2006; The Social Research Centre, 2008, and Ayu et al., 2010), age (Ayu et al., 2010; The Social Research Centre, 2008; Worthington, 2006; and Roy Morgan Research, 2003); marital status (Roy Morgan Research, 2003), level of education (The Social Research Centre, 2008; Worthington, 2006; and Roy Morgan Research, 2003); year of entry (Chen & Volpe, 1998; and Cude et al., 2006), faculty (Beal & Delpachitra, 2003; Chen & Volpe, 1998; dan Ayu et al., 2010), GPA (Cude, et al., 2006; dan Ayu, et al. (2010), Level of parents' education (Mandell, 1998), average parent income per month (Lusardi, 2010), place of residence (Mandell, 2008), experience (Ayu, et al., 2010; Chen & Volpe, 1998; The Social Research Centre, 2008; Beal & Delpachitra, 2003; and Worthington, 2006), and experience in business (Worthington, 2006).

Some of the studies focus on personal financial planning where effective financial management and proper financial planning such as budgeting or allocating funds are considered to be the factors that contribute to the improvement of personal savings whilst others focus on personal financial literacy levels of individuals where there is a lack of financial understanding and knowledge. For new entrepreneurs still have seed capital challenges in developing countries (N. Viswanadham, 2017) According to Binoy Thomas, P. Subhashree (2020) that there is a need to provide training on financial education to increase or improve the financial literacy levels of individuals. Furthermore, the article focuses on identifying and assessing the various factors that influence engineering students in particular and as per the research, the study has discovered that the financial attitudes of each individual, family influence, and peer group pressure are the factors influencing the financial knowledge as well as the financial literacy levels of individuals among the engineering students. Therefore, it is suggested that all individuals should undergo financial literacy training and programs to equip them with the needed financial knowledge and skills to make better and informed financial decisions. This article displays the factors that influence or improves the financial literacy levels of individuals specifically

engineering students so that it would instill the financial confidence that will empower them to explore unlimited entrepreneurship endeavours should they wish to.

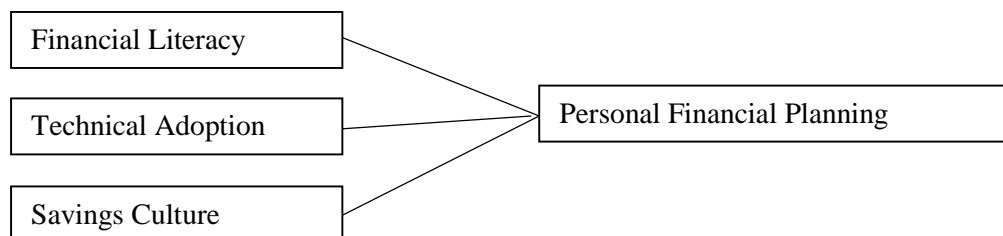
3.0 Theoretical Framework

Planned Behavioural Theory is the most relevant theory that can be linked to the research topic of this study because one of the challenging issues is the lack of life cycle planning and the interest to save money. This theory is referring to the idea that all behaviours are learned through interaction with the environment, this theory states that environmental factors highly influence the behaviours of people and how individuals react to certain situations. This type of theory studies how individuals interact in the environment thereby, carrying out the study with the use of behavioural theory will allow the researchers to understand how individuals react when there is no proper financial planning, management, and low financial literacy levels. It is one of the challenging issues in how understanding the strategic behaviors of humans because human attitudes are different. This theory in particular can be a very effective teaching strategy that can be used alongside financial literacy training as well as this theory can observe and measure behaviors and is easier to quantify or collect data when conducting research but some of the aspects of behaviour theory can be considered immoral and do not get to the core of behavioral issues.

The sociological theory which can be linked to the research study shows that many individuals are highly influenced by the people within their social environment therefore, this theory must be adapted to clearly understand the social aspect and social lifestyle of individuals because that is mainly the reason why many people spend money on their social needs and desires rather than saving money. Also, the sociological theory establishes the link between general sociological orientation and the findings of empirical findings, this theory is also responsible to produce a rich and meaningful hypothesis. However, one of the challenges with sociological theory is that it is highly subjective as is evident by the variety of different perspective that is available within the social environment itself.

4.0 Research Gap

Figure 1: Conceptual Framework



Source: Researcher's idea (2023).

This research study titled “How Personal Financial Planning and Financial Literacy improves Personal Savings in PNG” seeks to minimise this gap by educating people on how to go and access bank services and also by influencing people that is important to be financially prepared as well as improve the financial literacy levels of the people in turn, it might help to steer the economy into the right direction.

5.0 Methodology

5.1 Approach

The current research study has both qualitative and quantitative research. This type of research in particular enables the researcher to gather in-depth insights and knowledge on topics that are not well understood.

5.2 Research design

With the current research study, a case study approach was applied, carried out to collect required data from a predefined group of respondents to gain information and insights into various topics of interest, particularly on the people in Papua New Guinea to find out whether there is a savings culture amongst the people.

5.3 Population

The population that this research study is targeting is the student population of the PNG University of Technology. The research would contain all the students who study at the PNG University of Technology at the time of data collection. Its around 3500 students from undergraduate and postgraduate departments. This research is drawing data from this group of people to gain an insight into whether university students in Papua New Guinea have a savings culture.

5.4 Sample size

The sample size or the number of participants for the research study is 100. Random sampling method applied. The number of participants is according to the number of students who is willing and will have the time to respond to the questionnaires and surveys that will be given to them to answer.

5.5 Data collection

Throughout this research, in particular, it is best to collect primary data or information that is accurate, useful, authentic, and specific by nature. Primary data is collected because of its reliability as it is collected directly from the source.

5.5.1 Questionnaire

A research questionnaire is typically a mix of close-ended questions and open-ended questions. Therefore, with this research study, it was suitable to collect data through questionnaires where primary data can be collected from the respondents.

5.6 Data analysis

This study’s essential component is descriptive since it is mainly concerned with youngster’s financial planning and financial knowledge assessment, so observing and clarifying the existing phenomena. The survey study is one in which a bunch of individuals or things is examined by collecting and analyzing information from as it were several individuals or items considered to be representative of the complete gather. In other words, as it were a portion of the populace is studied, discoveries from this are anticipated to be generalized to the complete population (Nworgu, 1991).

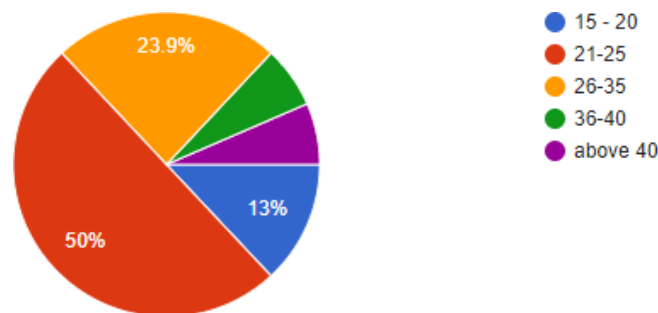
6.0 Demographic Data

This particular section, it will discuss the general characteristic of the respondents who completed filling out the questionnaires. Thereby, presented below are the five basic characteristics of the respondents including age, education level, employment status, income level, and marital status.

6.1 Age of respondents

From the data and information collected from the respondents, it was discovered that 25 (50%) of the respondents were between the age range of 21-25 years old, and a total of 11 (23.9%) of the respondents were between the age range of 26-35 years old however, 6 (13%) of the respondents were between the age range of 15 – 20 years old, 3 (6.5%) of the respondents were 36-40 years old similarly, 3 (6.5%) of the respondents were above 40 years old.

Figure 2: Respondents’ Age



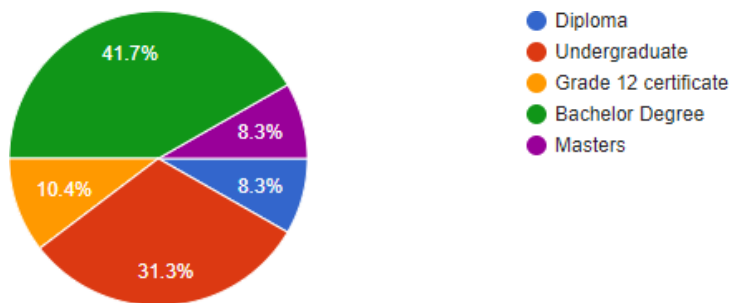
Source: Field Research (2022)

6.2 Education level of respondents

Displayed in this section will be the education level of the respondents. This was done to assess the level of understanding of each respondent, and whether they understood the importance of financial literacy and financial planning. A total of 20 (41.7%) of the

respondents have attained a Bachelor’s Degree, 15 (31.3%) of the respondents are Undergraduate students, and 5 (10.4%) of the respondents only have their Grade 12 Certificates however, Diploma 4(8.3%) of the respondents have it and the same goes for the respondents who have a Masters.

Figure 3: Respondents’ Education Level

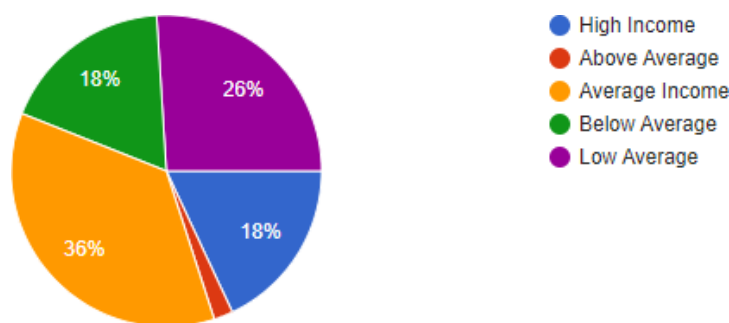


Source: Field Research (2022)

6.2.1 Economic status of respondents

During the collection of data, it was discovered that a total of 18 (36%) of the respondents have an Average Income while 13 (26%) of the respondents have a Low Average income but a total of 9 (18%) of the respondents have a Below Average income, as well as 9 (18%) of the respondents, also have a High Average income. However, only 1 (2%) respondent implied that he/she is an Above Average income earner.

Figure 4: Respondents Economic Status

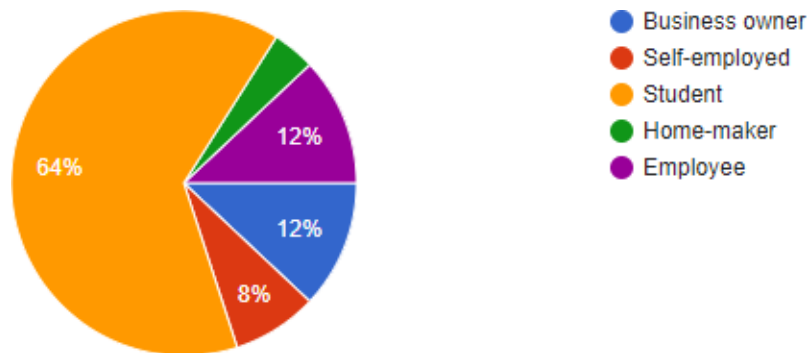


Source: Field Research

6.2.2 Employment status of the respondents

This question was designed to identify whether the respondents are employed and where they are earning some form of income. And as per the research, it was revealed that 32 (64%) of the respondents are students in University in particular, 6 (12%) are employees of business organizations, as well as 6 (12%), are business owners, 4 (8%) are self-employed and 2 (4%) are Home-makers.

Figure 5: Respondents' Employment Status

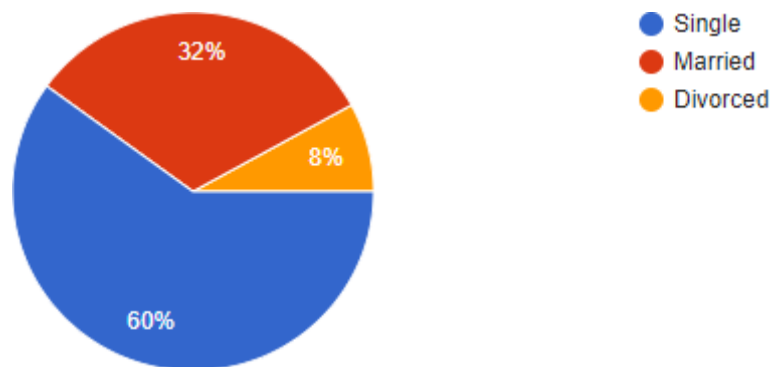


Source: Field Research (2022)

6.2.3 Martial status of respondents

This question in particular was formed to find out whether the respondents have dependents or not. Thereby, a total of 30 (60%) of the respondents are single, 16 (32%) of the respondents are married and 4 (8%) of the respondents are Divorced.

Figure 6: Respondents' Martial Status



Source: Field Research (2022)

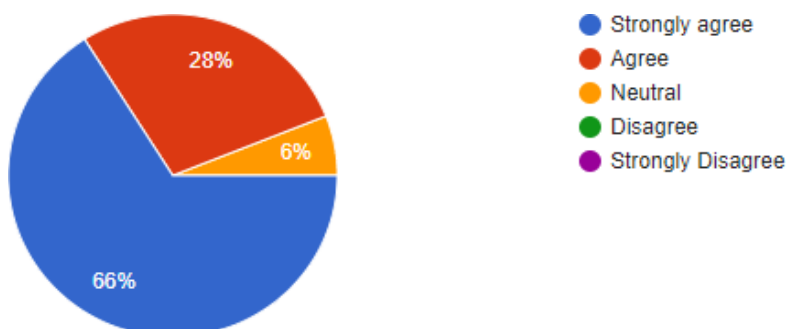
6.3 Increase or improve the financial literacy levels of individuals

This research objective is to purposely find out whether the improvement of the financial literacy level of individuals will improve their savings. As a researcher, we want to find out whether financial literacy training programs are effective and helpful to individuals that want to create a savings culture for themselves. Through this objective, we hope to establish the importance of financial literacy training programs so that the government can see that it is important to teach every individual the basic of personal finance and that such programs are needed.

6.4 Identifying whether attending financial literacy training improves the financial literacy levels of individuals

The results show that 33 (66%) of the respondents “strongly agree” that financial literacy training improves the financial literacy levels of individuals, also 14 (28%) of the respondents “agree” and 3 (6%) of the respondents are “neutral” as they are unsure whether financial literacy training will help people to save and spend money efficiently.

Figure 7: Importance of Financial Literacy Training

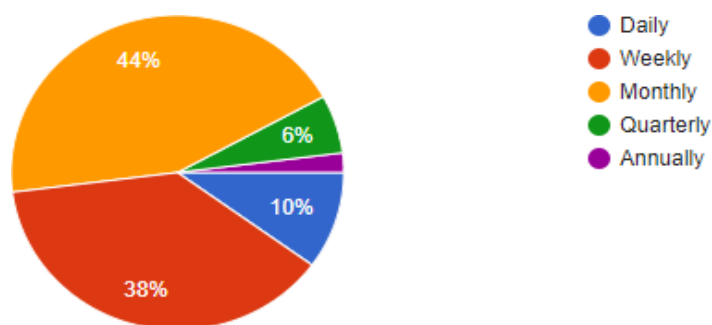


Source: Field research (2022)

6.4.1 How often do respondents create budgets

As per the research, it was discovered that 22 (44%) of the respondents create a “monthly” budget, 19 (38%) of the respondents create a “weekly” budget, and 5 (10%) of the respondents create a “daily” budget for the money they earn however, 3 (6%) of the respondents create a budget “quarterly” and only 1 (2%) of the respondent creates an “annual” budget for the year.

Figure 8: Respondents’ Budget Creation



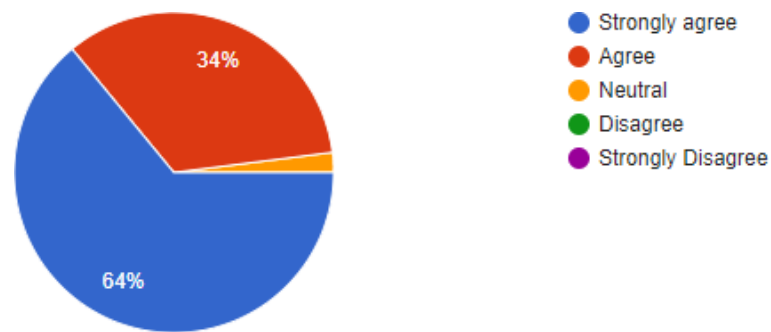
Source: Field Research (2022)

6.4.2 Financial literacy should be taught in high school as a subject

This particular question poses the following results, a total of 32 (64%) of the

respondents “strongly agree” that financial literacy should be a subject taught in schools however, 17 (34%) of the respondents “agree” and only 1 respondent is “neutral”.

Figure 9: Respondents’ Response to Financial Literacy Taught in Schools as a Subject

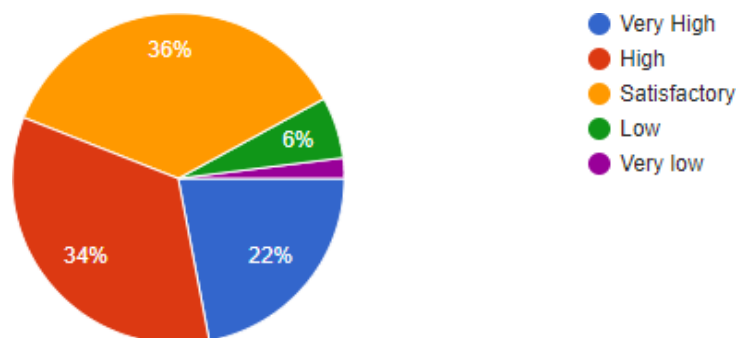


Source: Field Research (2022)

6.4.3 Respondents’ financial literacy levels

During the research when collecting data on this particular question, it was revealed that 18 (36%) of the total respondents have “satisfactory” financial literacy levels, 17 (34%) of the total respondents have “high” financial literacy levels, 11 (22%) of the respondents have “very high” financial literacy level, 3 (6%) of the respondents have a “low” financial literacy level and lastly, only 1 respondent has a “very low” financial literacy level.

Figure 10: Respondents’ Financial Literacy Levels



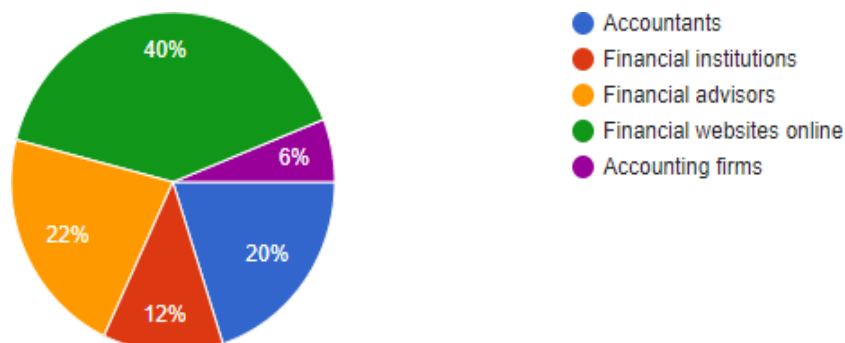
Source: Field Research (2022)

6.4.4 Where the respondents seek financial advice to make important financial decisions

This question, in particular, was designed to find out where individuals seek financial advice or information when making financial decisions and as per the research it was revealed that 20 (40%) of the respondents seek financial advice from “financial websites online”, 11 (22%) of the respondents seek information from “financial advisors”, 10 (20%) of the total

respondents seek financial information from “accountants”, 6 (12%) of the respondents get their information form “financial institutions” and only 3 (6%) of the respondents seek financial information from “accounting firms”.

Figure 11: Respondents’ Responses Where They Seek Financial Advice

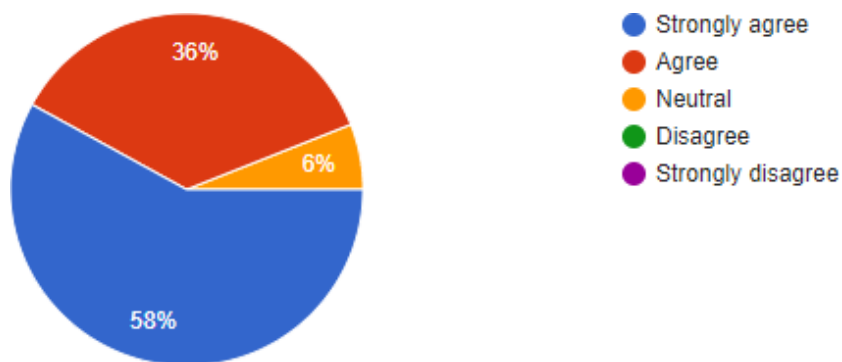


Source: Field Research (2022)

6.4.5 Financial Literacy training is an effective to gain basic financial knowledge

The results revealed, 29 (58%) of the total respondents “strongly agree” that financial literacy training is effective to learn finance, 18 (36%) of the respondents basically “agree” and 3 (6%) respondents are “neutral” they are unsure.

Figure 12: Respondents’ Response to Financial Literacy Training Effectiveness to Learn Finance

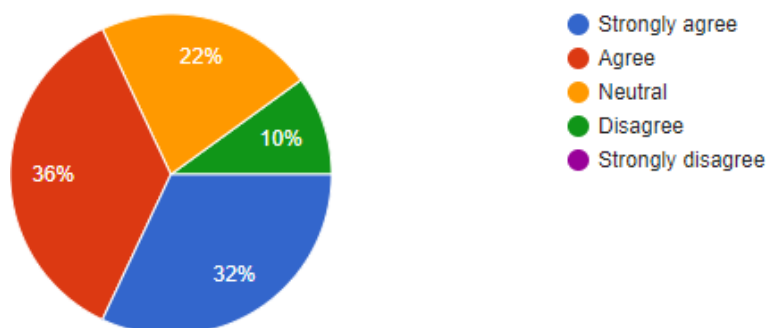


Source: Field Research (2022)

6.4.6 Responses to financial literacy training empowering women

The results discovered that 18 (36%) of the total respondents “agree” that financial literacy training can empower women, 16 (32%) of the respondents “strongly agree” with financial literacy empowering women, 11 (22%) of the respondents are “neutral” and 5 (10%) disagree that financial literacy training can empower women.

Figure 13: Responses of Financial Literacy Training Empowering Women

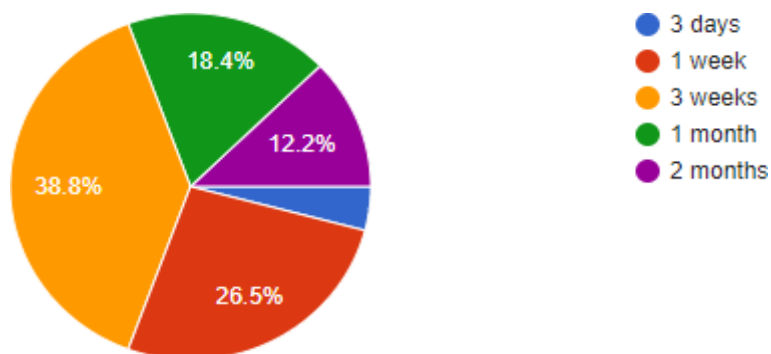


Source: Field Research (2022)

6.4.7 Respondents of how long financial literacy training should take

The results show that 19 (38.8%) of the respondents agree that the training program should take “3 weeks” as depicted by the color orange, 13 (26.5%) of the total respondents think that the training should only take “1 week” which is depicted by the color red, 9 (18.4%) of the respondents think that the financial literacy training should take “1 month”, 6 (12.2%) of the respondents think that the training program should take 2 months and 2 (4.1) of the respondents think that the training run for “3 days” shown in color blue.

Figure 14: Duration Time of Financial Literacy Training of Respondents

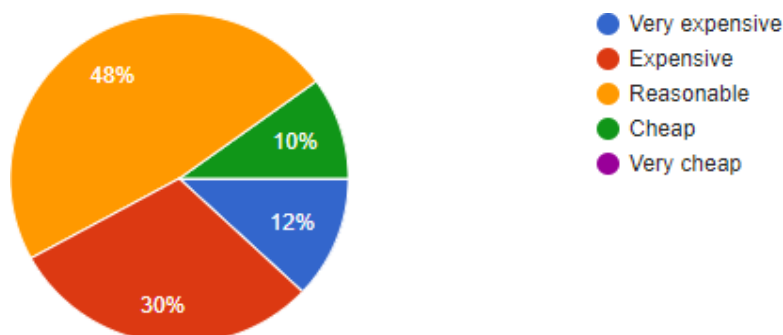


Source: Field Research (2022)

6.4.8 Respondents on the cost of the financial literacy training

The results shown on the pie chart show that 24 (48%) of the respondents agree that the cost of financial literacy training is “reasonable” which is displayed in the color orange, 15 (30%) of the respondents think that the training is “expensive” as depicted by the color red, 6 (12%) of the total respondents agree that it is “very expensive” shown in the color blue and 5 (10%) of the respondents think that the training is “cheap” which is displayed in the color green.

Figure 15: Responses to the Cost of Financial Literacy Training



Source: Field Research (2022)

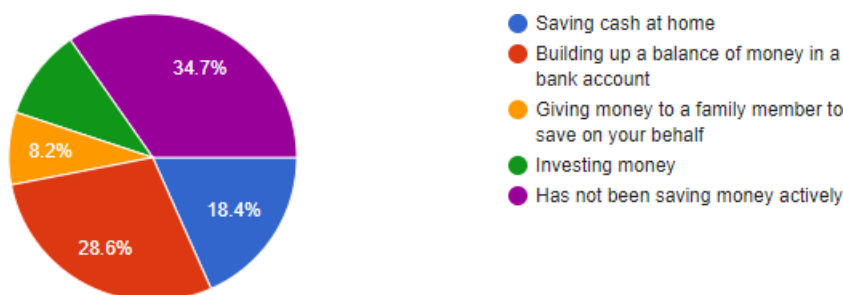
6.4.9 Respondents of do you know what a savings culture is

The results show that 28 (56%) of the total respondents replied “yes” they know what is a savings culture, 13 (26%) of the respondents replied ‘maybe’, 7 (14%) of the respondents are “not sure” what is a savings culture and 2 (4%) of the respondents replied “no” meaning they have no idea at all what a savings culture is.

6.4.10 In the past 12 months, have you been saving money in any of the following ways?

The results display the following results, 9 (18.4%) of the respondents are “saving cash at home”, 14(28.6%) of the respondents replied that they are “building up a balance of money in a bank account, 4 (8.2%) of the respondents replied that “give money to a family member to save on their behalf, 5 (10.2%) of the respondents “invest money” and a total of 17 (34.7%) respondents have not been saving money actively.

Figure 16: Responses of Individuals Saving Money in the Past 12 Months



Source: Field data (2022).

6.5 Respondents of losing their main source of income, how long they could continue to cover living expenses without borrowing?

From the research the results show that 13 (26.5%) of the respondents could cover

than living for less than a week, 20 (40.8%) of the respondents can cover their living expenses for more than a week but not one month, 12 (24.5%) of the respondents however, can cover living expenses for 1 month but not 3 months, 3 (6.1%) of the respondents can cover costs for almost 2 months but not 6 months and only 1 respondent can cover their living expenses for more than 6 months.

7.0 Findings

Firstly, the research has gathered sufficient information and data from the respondents and it was discovered that many individuals in Papua New Guinea lack basic financial knowledge, their financial literacy levels are quite low or below average as well as many people in Papua New Guinea do not have the attitude or the desire to save. In terms of increasing or improving the financial literacy levels of individuals which is one of the research objectives it was discovered that the majority of the respondents believe that financial literacy training it could help improve the literacy levels of individuals, majority of the respondents think that creating a budget every month is helpful to allocate and spend money accordingly. 64% of the total respondents strongly agree that financial literacy should be taught in school as a subject because they believe that when you teach people at a younger age to spend, save and invest money wisely and efficiently it helps them to be financially stable in the future when they are earning their income. Financial websites online have become the common place where individuals seek financial advice or information to make better- informed decisions furthermore, almost 58% of the total respondents strongly agree that financial literacy training are an effective way to help people gain basic financial knowledge and understanding.

8.0 Conclusion

The research findings revealed that many individuals in Papua New Guinea are not aware of the importance of saving money as well as they do not know how to save. The reality is that many Papua New Guineans have the habit of borrowing money and getting loans either from banks or from loan sharks, this trend is evident today and has worsened because PNG's economy has declined and also inflation has worsened over time as well. In addition, the living standards are very high and slowly the income and wages earned are not sufficient to cater to such standards.

Financial literacy training is important and should be taken seriously to help people gain basic financial knowledge so that they can make better and more informed decisions. Research shows that Financial literacy training programs have helped people and communities to develop a savings culture, this practice or method teaches people the fundamentals of saving money. Many individuals are influenced to save money to feel financially stable, to achieve personal financial goals, for retirement, or for unexpected

expenses that might occur. However, many individuals and families are living on borrowed money where 80% of their income is going back to repay loans, this lifestyle is becoming a common trend in Papua New Guinea which as a result is affecting the overall ability to save money in bank accounts where it could grow over time and be used for other expenses or costs that are regarded as essential to survive in hard circumstances.

The habit of saving money should be taught at a young age so that it becomes a part of them as they grow up into adults where they are allowed to earn their income. So the researchers found that financial literacy should be taught in high schools as a subject to ensure that young people are taught the basics of saving money in bank accounts and be aware that saving money fortnightly should be a habit to follow. Spending money is very easy and is not something that needs to teach on the other hand, saving money is a difficult task as people are tempted to spend. And as per the research, many of the respondents are not able to cover their living expenses for more than one month after losing their main source of income. This just goes to show that people do not know how to manage and plan out their money wisely and effectively.

On the contrary, there is a growing need for financial education and proper financial planning which could be used to manage money wisely and effectively. Different forms of financial education should be implemented to educate people about personal finance which includes investment, savings, credit, financial planning, insurance, and many more. The research found that the increase in financial literacy training is vital to encourage people to save money and bring about awareness in communities informing them that saving money is helpful because savings can be used to pay for school fees, hospital bills, or food and water. Nowadays everything requires money, money is considered to be powerful when one has been abundantly blessed with money, this person is considered to be superior, money brings about a change in people's lives, it allows them to afford things that they desire, it allows them to feel financially stable and helps people not to worry about living expenses. Savings is crucial in this day and age, at least everyone must have a savings account where they can save money.

9.0 Recommendations

With this research, it is recommended that there is more provision of financial literacy training to empower individuals to make smart financial decisions. The provision of more provision of financial literacy training provides the knowledge and skills individuals need to manage money effectively such as budgeting, saving borrowing, and investing. Thereby, with these skills and knowledge at hand, individuals are equipped to reach their financial goals and achieve financial stability.

The main objective of financial literacy is to help develop a stronger understanding of basic financial concepts in that way people can handle their money better. Financial literacy is a good avenue to learn the basics of personal finance as it gives an insight into why, how, what, when, and where to save, invest and spend money.

Financial literacy training provides the financial education that everyone needs, the training brings about the experiences and lessons that have been learned by qualified individuals and institutions. The training hopes to encourage and implement different strategies that could be used to educate people about personal finance, money management, financial stability, proper financial plans, and many other methods that could be practiced by people to guide and help them save and invest money effectively and wisely.

Participants who join financial literacy training discuss the lessons, experiences, and knowledge learned that they have gained from this training so that they could use it in real-life situations. The training provides the participants with the relevant tools and frameworks that could best be applied in their financial aspect of life, the training helps individuals to learn about the current practices of financial education and be equipped with the tools and strategies as well as methods that is best suitable for your financial goals. Furthermore, the financial literacy training also provides groups and individual self-learning activities and assignments that are best suitable for people and each session will be a 1 hour 30 minutes session that could be delivered in person or through online platforms.

9.1 Financial literacy should be taught in high schools as a subject

The research recommends that financial literacy should be taught in schools as a subject in Papua New Guinea because it is very helpful that financial literacy is being taught at a young age to develop basic financial skills that could be useful. Financial literacy classes hope to provide the basics of money management such as budgeting, saving, debt, investing spending, and many more. Additionally, these skills and knowledge provide the foundation for young people and students especially to build strong and effective money habits early on which could avoid many of the mistakes that lead to lifelong money and financial struggles and hardships.

Therefore, this research strongly recommends that “The Five Foundations” may be implemented in high schools as part of the financial literacy course. The five foundations are a simple plan designed to help students confidently handle their finances that is implemented in many schools around the world as well. The first foundation is to encourage students to set aside money for emergencies. Financial emergencies could put students into debt if they do not have any money set aside and big problems can become minor issues when there is an emergency fund in place.

The second foundation is Get out and stay out of debt which implies that debt is a huge financial burden that many people struggle with and so financial literacy programs teach its students the different ways debt traps them and shows them how to break free from them.

The third foundation and fourth foundation is to pay cash for a car and college, it's better to pay cash because it is easier to budget and stick to it. When individuals pay with cash in a way they have budgeted for the purchase and it is easier to track exactly how one is spending the money. It also helps to keep track of how much cash is going out against how much or what is coming in on a weekly or monthly basis.

The fifth foundation is to build wealth and give. People who live a debt-free life and are financially disciplined about saving and investing money can live and give like no one else. Time and patience are all that is needed to be financially stable where money is no longer a worry and stress, you can now enjoy the money and spend time thinking of ways to give to others who are struggling. So when a person is financially literate, they make smart decisions with their money and most importantly build good habit's that can trickle down to their families and communities and probably the nation as a whole. This trend hopes to change the toxic money culture and create a more financially stable environment for everyone.

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