

HARNESS

THE POWER OF FINANCIAL EDUCATION

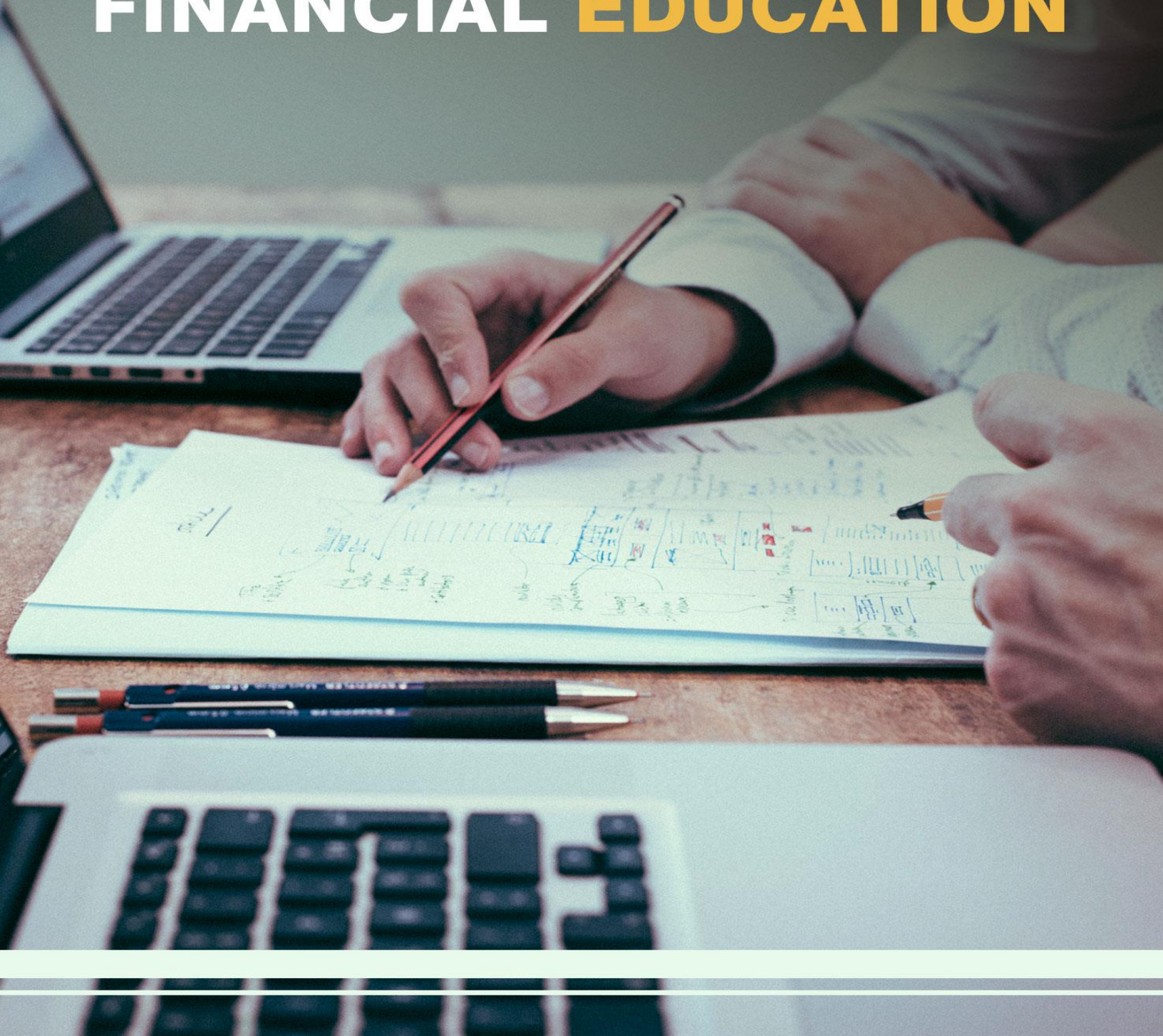


Table of Content

Chapter

1.	Financial Education Is A Must	01
2.	5 Reasons Why Financial Education Is Your Best Investment	07
3.	Financial Education Can Buy You Success	11
4.	Develop Multiple Streams Of Income	15
5.	Investing Techniques That Work	19

HARNESS THE POWER OF FINANCIAL EDUCATION

Chapter 1

FINANCIAL EDUCATION IS A MUST

'A good man leaves an inheritance for his children's children.' -
Proverb.

Money speaks a language that transcends race, gender, religion, and any other classification known to humanity. The saying that money makes the world go around holds some element of truth to it. Almost every basic human need revolves around money. Its availability or lack thereof determines how we survive daily.

As global economies shift according to the tides, many people desire to understand more about money. Many deal with all kinds of financial messes that could have been avoided had they been a little more knowledgeable about how to handle money. Most people do not seek advice or information before making huge financial decisions, and this always comes with consequences, most of them unpleasant. So financial education is a must for all people, regardless of their age or financial status.

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What is financial education?

To put it in simple terms, financial education is a phenomenon in which people learn basic financial concepts to make better financial decisions. Financial education is a way of equipping people to manage money more effectively and ensure their financial security. Whether you are managing your funds or handling corporate finances, it is important in this era to be financially literate to avoid stumbling into financial pitfalls.

Myths around financial education.

Financial education is for the educated.

Many people think that financial education is for those who are smart or business savvy. Anyone can learn about managing money, including those who society labels uneducable. Everyone uses money, and that is a basic foundation to gain in-depth knowledge about how to handle it. Financial literacy is not about attending a fancy college or enrolling in a complex course. Anyone can go online and read on it, listen to podcasts, or attend free seminars on the internet to learn the basics. You could even ask someone in your circle with a better understanding to teach you. Financial education does not have to involve complex jargon and alien terms. It can be brought down to the level you understand.

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Children do not need to learn about money.

‘Train up a child in the way he should go and he will not depart from it.’ - Proverb.

The reason most young people are reluctant to have conversations about money is that they have no foundation of how it works beyond the basics of buying and selling. While you cannot teach a child the complexities of money, you can train them on how to earn it, use it, and save it. Children are the future, so if they have no clue how to handle finances, there is a risk that generations after them will suffer the fate of making bad financial decisions. As potential future leaders of economies and corporates, this will spell financial disaster for all humanity years from now. Parents need to be suitable role models of financial wellness to their children for them to influence future economies positively.

Only those struggling with debt need financial education.

When you are living from paycheck to paycheck and barely making ends meet, it is easy to make decisions that can lead to debt. Debt must be avoided at all costs. Being debt-free, however, does not mean that you do not need to learn about money and how it works. Everyone with an earning potential can enhance it by learning about money and its operations.

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The importance of financial education.

Some people suffer from financial stress and anxiety, which induces stress-related health conditions. Others make poor decisions that cost them their jobs, land them in debt or even estrange them from their loved ones as is the case with some marriages that end in divorce. For this reason, people must learn how to handle money. Personal financial wellness translates to good financial wellbeing in the family, corporate, national, and global set up. The strength of a nation's economy lies on the back of its citizens' financial wellbeing. When you have authorities making sound financial decisions, a state's financial status will be solid. To promote health and all-around wellness across all tiers of society, it is essential to equip every person with financial literacy.

The pillars of financial education.

Budgeting.

One of the best ways to understand how your money works is to create a timely budget. A budget helps you allocate your income according to your expenses. It lists basic expenses and matches them to your income. A basic budget distributes your income into rentals or mortgages, food consumption, bills, and savings. Having a budget helps you determine your financial stability. It helps you understand and minimize your spending patterns. A budget helps you become accountable to yourself about how you use money.

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Saving.

Everyone experiences financial rainy days. It is only those who make a habit of saving something from their income that survive. If you have goals such as acquiring assets, starting a business, having a wedding, or sending your child to a good school, you will need to save money. Even retirement requires that you save money for you to enjoy it.

Managing debt.

There are scenarios in which debt is inevitable. No matter the circumstances under which you accumulate debt, you must manage it least it becomes too big to handle. You must understand what makes up good debt. The earlier you learn to minimize debt, the more financial freedom you enjoy.

Investing.

This is a touchy subject as many have lost money to poor investments. Most people plunge into investing without research into what they are investing in. Some take risks and win, but cannot manage their investments. This is where financial education is key.

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Your level of financial literacy affects your quality of life significantly. It affects your ability to provide for yourself and your family, your attitude to money and investment, and your contribution to your community. With the way economies keep shifting, financial education should be a priority.

Chapter 2

5 REASONS WHY FINANCIAL EDUCATION IS YOUR BEST INVESTMENT

Countless people are looking for something worthwhile to invest in. Something that will generate passive income for a lifetime. While a few manage to find the perfect investment, numerous don't. This is because coming up with a plan that will not only help you to retire early, enjoy your life more, and ensure you live a legacy behind isn't a walk in the park. It requires proper planning and making the right investment. So, how do you go about it? What is the one investment you can make that will have a huge impact on your life as well as the lives of those that will come after you? Financial education!

Financial education is the best investment you can ever make because it enables you to make wise financial decisions as you continue pursuing your dreams. It is the key to reaching your early retirement goals and securing a pleasant future for your kids.

1. It ensures you make smart financial decisions.

One of the best things about investing in your financial education is that it enables you to make smart financial decisions. Financial education teaches you the best ways of handling your finances, avoiding debt traps, saving, making smart investments as well as making your money work for you. Avoiding *"I've wasted too much money on this"* and *"Where did all the money go?"* is easier when you invest in financial literacy.

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If you are a freelancer or an entrepreneur, financial education will make it easier for you to track your finances and avoid making common mistakes that often lead to losses. You will know what to invest in, what to avoid, and what business deals to get into.

2. It helps you to plan for the future.

Planning for the future is something that only a handful of people do. Especially where finances are concerned. However, you need to have plans for the future and secure a pleasant future for yourself and your loved ones. You achieve this by ensuring you obtain financial security and never worry about money. While millions of people are trying every day to make that happen only a few make it happen.

Financial education helps you to plan for the future and ensures you obtain financial security so you never have to worry about money. Financial literacy takes you from where you are to where you desire to be. You work efficiently with what you earn, find ways of increasing your earning potential, improve your earning potential, manage your money wisely, invest in income-generating assets, and ensure a secure future.

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3. Financial education gives you control over your money.

There are countless financial mistakes that you can avoid by being financially literate. For example, excessive spending, paying debt with savings and constantly living on your paycheck. Financial education will give you more control over your money and ensure you make informed decisions before making any purchase. Sticking to your budget and avoiding impulse buying will be easier.

Financial literacy helps you realize the importance of having a financial plan and sticking to it. It helps you to identify fraud, scams or offers that are “too good to be true” so that you can say “This was worth it” instead of “I have been cheated again” at the end of the day.

4. It enables you to secure your retirement.

Financial education is your best investment because it enables you to secure your retirement. You never have to worry about how life will be after you retire. You can maximize your retirement savings, buy that mansion you have your eyes on, continue growing your wealth years after retiring without lifting a finger and enjoy your retirement knowing you don't have to worry about money.

5. It empowers you to reach your money goals.

The most effective way of reaching your money goals is by investing in your financial education. *“I need to raise \$50k by the end of this year” “I need to increase my earning potential by 60%”* can only be possible when you know what steps to take as well as what paths to avoid. Your money goals help keep you on the right track towards your ultimate financial goal. Nonetheless, they can only be reached by prioritizing financial literacy and recognizing its significance in bringing your money goals to life.

Financial education empowers you to reach your money goals by helping you to avoid getting into debt, teaching you smart budgeting tips, and teaching you the best methods of managing your money.

Financial education is your ticket to success. So, invest in it. It will help you to secure your future, avoid common money problems, give you more control over your money, and ensure you reach your goals.

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Chapter 3

FINANCIAL EDUCATION CAN BUY YOU SUCCESS

Financial education is one of the least taught and least emphasized things in homes, schools, colleges, workplaces, yet, it is the most important skill to master to succeed in life. Financial literacy is the key to success because it helps you to make smart financial decisions, worthwhile investments, and enables you to control your spending habits. It can help you to save, invest wisely, and make purchasing decisions based on what you need as opposed to what you want.

The importance of financial education in attaining success in every area of your life is something that can never be overstressed.

The only way of living a happier, healthier, and more fulfilling life is by becoming financially literate. This is because knowing how to manage your money wisely, what to invest in, as well as what to avoid spending money on protects you from *“I don’t know where my savings went”* or *“I have gone off-budget again.”*

Poor management of finances always leads to complications in relationships, your job, and sometimes your physical wellbeing. It can also lead to bankruptcy which in turn leads to failed relationships, underperformance at work, ill health, or job loss.

Educating yourself financially can help you to find the success you are looking for.

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“I wish I could afford that” “It’s impossible to save enough money to start pursuing my dreams” and “I don’t have enough to work with” are all signs that you need to do something about the way you handle money. If you wish to buy a house and feel you can never afford it, know that you can. If you have a dream that’s on hold because you believe you can never save enough money to pursue it, realize that you can. The key to affording your dream house, making the big investment you have always had your eyes on, and saving enough money to pursue your ultimate goal is financial literacy.

Once you prioritize educating yourself financially and constantly learn about smart ways of handling money, anything is possible. You will achieve your goals, raise your savings, make smart investments, take worthwhile risks, and find the success you are wishing for.

Financial literacy is the key to successful relationships.

One of the main reasons why most relationships fail is that couples don’t know how to handle their finances correctly. A lot of misunderstandings arise from one partner’s overspending habits to the other partner’s ineffective methods of investing or saving. You don’t have a solid plan for the best way of saving, investing, and spending. You feel you have the right to do whatever you please with your hard-earned money and your partner feels the same way about his. However, not having proper communication channels about your finances and failing to realize the significance of financial education in growing as well as enjoying your relationship often leads to failed relationships.

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Financial literacy, on the other hand, can sustain your relationship, help you grow, and enable you to enjoy your partnerships more. Financial education equips you with the knowledge and skills you need to use money effectively. It ensures you stop pouring money down the drain, start to make smart financial decisions, and invest in things that have substantial returns. It protects your relationship and keeps it moving forward by helping you to avoid *“Where did all the money go?”*

When you and your partner make financial decisions together and talk about your finances openly, enjoying your partnership will be easier. When you both agree on what to invest in, how to budget, how to save, what to spend money on as well as what not to spend money on, you will be fulfilled and happy. Therefore, learn about financial education to find success in your relationships.

Top 5 ways of learning about financial education and improving your financial literacy.

1. Purchase a financial literacy course from a reputable institution. For example, Coursera.
2. Read financial books.
3. Read magazines and follow money blogs.
4. Use financial management tools.
5. Listen to money podcasts. For example, The Rich Dad Radio Show by Robert Kiyosaki.

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Investing in financial education is by far one of the best decisions you can ever make because you are guaranteed to see the results you desire and are sure to succeed in your finances. Financial literacy is what you need to attain whatever financial goal you have. Whether it's purchasing your dream car or making a million dollars in 15 or 20 years.

Learning the best ways of saving, investing, budgeting, and spending is the key to finding fulfillment as well as happiness in your relationships. It enables you to pursue whatever goal you have, take smart risks, succeed in your various fields of endeavor, and keeps you thinking *"Every goal is achievable."*

Chapter 4

DEVELOP MULTIPLE STREAMS OF INCOME

Every good thing in life is never found for free, we work and toil most of our lives trying to exchange our labor and time to be rewarded with all the good things. We are all stuck in a rat race to go beyond the usual survival objective. Getting an education, going to college, choosing a career, most of these choices are governed by the picture of the kind of life we dream of living and how these choices can help take us there. As much we might deny it, money, paves the way to a comfortable life we all crave for.

We have been told since childhood to work hard in school and get into the best colleges and choose the best careers. Some have gotten there but it still feels like they were sold a counterfeit dream. Some have managed to be the best in various fields through hard work and persistence. We all expect to be wealthy or at least lead comfortable lives and be free from the stress that comes with finances but all those living expenses, taxes, mortgages, student debts continue to haunt us.

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Financial freedom is the best thing that could happen to anyone. It gives you back your power not to be controlled by your finances but vice versa. Your bank account will not be the one driving you to that job you hate with insane working hours, making you miss time with your family. You get to do what you love when you attain financial freedom, it is a state of being able to grow personal wealth. It is not having to worry about retirement or that family vacation you wanted to have. Financial independence means you make life decisions without being overly stressed or overwhelmed by your finances.

A common goal for all of us is to achieve financial freedom, however, without the required financial education we will never attain it. It is often rare to attain it on a get-rich-quick scheme because often the faster the money comes the faster it will be spent. Financial freedom can only be attained by having total control over your finances, working hard, and working smart. No matter how much work you put in, be it you have a great paying job, wealth building can prove to be a greater challenge than it is if you are dependent on one stream of income.

When you establish multiple streams of income coming in you are only a few steps less to get your financial freedom. Unlike all your expenses being squeezed into one pay-slip and debts accumulating you will have more pockets to dig into. All the wealthy, high-income, and high net worth people in the world, the top ten percent, have built empires and they always have different streams of cash coming in every single time. Having multiple streams of income requires commitment, focus, and a lot of self-discipline when handling your finances.

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Different, unrelated income streams ensure more financial security. When you are laid off at your job your other income streams can still hold you up. When you spread your income across different passive and active income streams, your financial risk is lowered and you will already be on a different level of the wealth-building ladder. There are different paths you could take to open up different streams of income and here are some:

1. Become a freelancer

In this era where the internet is being used daily, one has to grab the opportunity and make money out of it. There are a lot of freelance job options you can find online that can prove to be an additional stream of income.

2. Start a blog

As simple as the idea might be a blog can be a great way to earn by doing something you enjoy. You have to be ready to put in the work and to be committed for it to work.

3. Offer a service or sell a product

This is where entrepreneurship comes in. you can create another stream of income by starting a small business that you have control over. Be it selling a product or offering a service, all you will need is to identify a need in your surroundings and you become an answer to that need.

4. Get involved in investments

There are a lot of investments that you can get involved in that can get a stream of income flowing in. most of it can even be passive income that does not require a lot of tie or work on your side. Get educated on how to buy stocks and on other lucrative investments you can make for example investing in real estate.

5. Become a virtual assistant

More ideas than those listed here exist that can still be great ways to get money coming in, generate more income and simultaneously minimize your expenses as well by managing your spending and you will be on the right track to financial freedom. If possible, find something that can generate income with the least amount of supervision which makes it easier to manage your time. Invest in your financial education and you will find it easier to get into your journey of establishing multiple streams of income and attaining financial freedom.

Chapter 5

INVESTING TECHNIQUES THAT WORK

Investment losses are quite common and they are one of the worst things that can happen to you. This is because when you invest in something, you expect to make a profit, grow your finances, and obtain financial security. However, not everyone who invests makes it that far. You may invest in something that doesn't provide you with the value or profits you are expecting. You may fail to get the results you are expecting because you are unable to identify bad investments or worthwhile investments.

This is why learning the best investing techniques matters. Knowing smart investing techniques and using them to grow your money is the most effective way of ensuring you receive value as well as profit from your investments. It is the only thing that can guarantee expected returns and prevent disappointments. It is the only thing that can help you to make informed decisions when investing and easily spot bad investments.

Examples of investing techniques

1. Come up with an investing strategy and stick with it.

Having an investing strategy may seem too obvious but it is important to mention. This is because an investing strategy helps you to decide what you will invest in as well as what you will not. It ensures you don't get lured into investing in every *"exceptional"* or *"promising"* deal that comes your way.

Picking an investing strategy and sticking with it always works in your favor because you know what to put your money in, you understand what you are investing in, and not everything takes you by surprise. *"I believe in my strategy"* *"I will stick to it"* and *"I will not invest in something that I don't understand"* are phrases that can help you to stick to your investing strategy and make smart choices when investing.

Your investment strategy is going to work best when you constantly review it and make adjustments as you go. This will help you to not only adapt to changes but grow your finances.

2. Identify bad investment.

Identifying bad investment deals is the key to ensuring your money works for you. Therefore, know the difference between great investments and bad ones. Learn to easily spot bad deals or deals that are *“too good to be true”* from a mile away. This will save you a lot of headaches and heartaches in the end.

Some of the red flags to look out for include *“You have to invest now”* or *“Everyone else is doing it.”* If you don’t understand it, if it opposes your investment objectives, and if it doesn’t match your risk tolerance, it is a bad investment. Don’t fall prey.

3. Diversify.

Diversifying is the most effective investing technique you can use because it ensures you receive value for your money. If one investment goes south, you can rest easy knowing that you still have two or more reserves. Owning a range of investments also helps to keep your portfolio steady and growing over time. So, diversify your investment portfolio and ensure expected returns.

4. Invest consistently.

Investing consistently and refusing to throw in the towel when things don't go your way helps you to think long-term and have long-term goals. It is also the smartest way of growing your investment portfolio. Therefore, know what to invest in, invest consistently, and ensure financial security.

5. Keep a long-term perspective.

Thinking long-term and keeping a long-term perspective when deciding what to invest in will help you to overcome the “what do I get now” mentality. It will help you to develop a “*What impact will this have on my finances, 15 or 20 years from now*” attitude. The key to keeping a long-term perspective and generating substantial value from your investments.

Keeping a long-term perspective also helps you to spot bad investments from a mile away, avoid pouring your money down the drain, avoid going with what everyone else is doing, and ride out market bumps.

6. Understand your market.

Understanding your market or your investment field is the best way of making smart investment decisions and obtaining the kind of value that you are expecting. Having a profound knowledge or doing adequate research before investing will help you to better understand what you are doing, where your money is going, and teach you the best ways of investing. It will also help you to understand the risks associated with what you are investing in and help you to make smart choices.

Understanding your market as well as the entire process of investing before leaping helps you to avoid bad investments, stick to your goals, easily navigate road bumps along the way, and make smart choices.

Learning the best investing techniques and using them to get value from your investments is by far the smartest way of achieving financial security and guaranteeing success.