



Financial Education in the Youth of the Educational Institution "Instituto Agrícola Región Del Catatumbo" of the Municipality of Teorama

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ABSTRACT

Financially educating young people affected by economic behavior based on the armed conflict fosters a generational change by acquiring the skills and abilities necessary to encourage a culture of savings and make responsible financial decisions. The purpose of this study was to analyze the level of financial education of the young people of the Catatumbo Region Agricultural Institute of the municipality of Teorama, considering the survey applied to 114 young people in the tenth and eleventh grades of this institution as a method of collecting information; Obtaining as a relevant result the lack of financial education in 86% of the respondents and the purchase decisions motivated by emotions.

Keywords: financial education, human behavior, personal finance, savings

1. Introduction

Financial education plays an important role in the global economy, as it contributes to the reduction of poverty and inequality, being this the main economic regulatory agent of society that allows cultivating the future of generations by creating benefits for young people to prepare them in a responsible way in making monetary decisions. In Colombia the concept of financial education has had little progress because according to the (Comisión Intersectorial para la Educación Económica y Financiera (Comisión Intersectorial para la Educación Económica y Financiera (CIEEF), 2017) "measurements evidence that the population still lacks the minimum financial knowledge and skills required for making informed economic and financial decisions"; likewise, the results in the PISA tests further evidence the lack of financial education, since "Colombia was the country with the lowest score, obtaining 58th place among 73 participating countries" (Revista el Colombiano, 2019), therefore for Latin America "financial inclusion in the economy is a priority, since this has the potential to generate a positive effect on inequality and poverty" (García, Grifoni, López, & Mejía, 2013)

For (Cruz - Carbonell, Hernández - Arias, & Silva - Arias, 2020) "the Colombian rural sector for decades has experienced greater difficulties to consolidate an adequate development in the quality of life of its inhabitants"; Likewise, the creation of a savings culture in an economy affected by the armed conflict is considered as a goal of social impact to improve the quality of life of its inhabitants, highlighting problems in young people due to their economic behaviors, such as little or no financial education, high levels of indebtedness, reduction in savings and access to financing through unregulated mechanisms, according to the National Financial Capability Study, conducted by the Financial Industry Regulatory Authority cited by (Fundación Mundo Mujer, s.f.) The purpose of this study is to analyze the level of financial education of young people from the Agricultural Institute of the Catatumbo Region in the municipality of Teorama, a vulnerable population that has historically been affected by the armed conflict, a situation that leads to the generation of alternative resources in the illegal economy as a means of subsistence. Additionally, theories relevant to the concept of financial education are presented. Regarding the methodology, it was applied through the descriptive method, with a field design with the application of a survey to 114 young people from the tenth and eleventh grades of the Agricultural Institute. With the results achieved, it is proposed that the young people under study generate leadership in financial education, which is considered by (González - Castro, Manzano - Durán, & Torres - Zamudio, 2021) as a "virtue that consists of possessing an identity capable of uniting individual wills, organizational values and context information to empower groups of people".

Financial Education: Future or Present?

Over time, multiple financial education proposals have been developed in order to educate the population, particularly young people who are considered the generational future of nations, therefore they should be instructed in financial decisions, that is where at a global level states have implemented this development strategy. According to (Gutiérrez Andrade & Delgadillo Sánchez, 2021), "the United Kingdom has a special body dedicated to financial education called the Financial Advice Service (FSA), which consists of spending about 10 million pounds a year through a plan with seven points: new parents, schools, adults, young people, electronic tools and advice on money" (P. 44)

On the other hand, Latin American countries have adopted the same objective, in which Colombia is underway, but there are several mistakes as reported by (MOSQUERA MOSQUERA & RIVERA GÁLVEZ, 2019), that "despite the existence of a public policy framework aimed at improving financial education in the country, the efforts have not been reflected in relevant cultural changes" (P. 23) and "as stated by (Zambrano - Mercado, Muñoz - Hernández, Brito - Aleman, & Caro - Florez, 2020)" within the causes that generate financial losses or administrative disorder are: poor management of financial, human or technical resources"; however, financial institutions have promoted initiatives that lead to promote financial education in young people, as for example BBVA Bank aligns strategies with the "Sustainable Development Goals, such as: School for entrepreneurship, financial education" (BBVA, 2019).

The municipality of Teorama lacks strategies aimed at strengthening financial education because there are situations to which timely solutions must be provided, as contemplated by the Ministry of National Education:

"19.3% of the school population is in extra age, this is due to the social problems of the Municipality, due to factors such as forced displacement caused by groups outside the law, planting of illicit crops, conditions of extreme poverty, remote educational venues, in which much of the population is located, which causes children to enter education late" (Alcaldía Municipal de Teorama "Unidos Somos mas", 2019).

On the other hand, "educational institutions have had to rely more and more on didactic resources as strategies that make it possible for students to grasp ideas" (Muñoz - Hernandez, Canabal - Guzman, & Galarcio - Guevara, 2020).

Context: Latin America

In Mexico, according to (Amezcu García, Arroyo Grant, & Espinosa Mejía, 2014), "the adelante con tu futuro program was developed, which includes: Mobile classrooms for financial education, mobile equipment, virtual financial education, financial education in agreement with educational institutions" (Page 28). (P.28)

In Brazil, according to (Gano Más, 2014), "the implementation of financial education in schools works and the earlier the better. We were able to observe greater benefits in learning, in a general way, behavioral changes and above all 1% increase in the savings rate of students".

Bolivia is an example of how financial institutions can create programs that promote Financial Education, since "in 2013 a cooperation agreement was signed between the Ministry of Education and the Central Bank of Bolivia for the implementation of Economic and Financial Education in the curriculum of the Educational System" (Ventana Económica).

2. Methodology

The methodology used for this research is descriptive, defined by (Arias, 2006) as: "the characterization of a fact, phenomenon, individual or group in order to establish its structure or behavior" (p. 12); this type of research will allow analyzing the level of Financial Education of the young people of the Agricultural Institute of the Catatumbo-Teorama Region, highlighting the importance of the savings culture. It has a documentary and field design, considered by (Arias, 2006) as a "is a process based on the search, recovery, analysis, criticism and interpretation of secondary data" (p. 27); while the field "consists of the collection directly from the subjects investigated", (p. 31), since the young people of the Institute will be motivated to cultivate a financial education. For the field design, the population is made up of the Institute's young people, taking the entire population as a sample corresponding to 114 young people in the tenth and eleventh grades and using the survey as a mechanism for collecting information to study the factors that affect financial education.

3. Results

Gender, age and level of education are factors that can decide financial decisions. According to the respondents, 54% express that these characteristics are not present at the moment of making a purchase, where the fact of reasoning capacity, education levels, and the variety of products offered by the market for each gender are taken into account, in order to mitigate the need, based more on tastes, preferences, and fashion.

Emotions are preponderant at the moment of deciding the consumption of a product, since the determining variable between need or desire is presented, since 46% reflect that emotions are involved at the moment of making a purchase, together with 11% that show a certain degree of insecurity, This shows that in most of the population, at the moment of acquiring a good, the purchase is made not because of the need for satisfaction, but because of the inertia to do so due to economic solvency, thus causing a minimum saving, even more so when the money has been obtained in an easy way as a product of work in illicit crops.

The daily expenses of the young people of the Institution oscillate 39% between \$2000-\$5000 and 40% more than \$5000 per day, highlighting that the young people have a low level of financial education, since they spend their income as they obtain it, without having a future vision of saving, and they also get into debt easily with the services offered by the school. Likewise, it is identified that 86% of those surveyed, neither the Institution, nor the home teach them to manage finances properly, evidencing the imperative need for the creation of teaching scenarios for financial education and to promote the savings culture as stated by (Lemus - Quintero, 2021)"a society is the reflection of how its members think and act".

43% of the population shows that their families do not know about finances, for reasons such as illiteracy, adaptability to technology and the lack of financial entities for reasons such as the armed conflict, therefore, young people do not know the necessary tools to save.

Among the negative and positive factors that affect the economy of Catatumbo, 43 students consider illicit crops positively; however, all of them consider it negatively, since although it allows them to have a high income in their homes, they are aware that it contributes to insecurity and social instability (violence, poverty, drug addiction).

4. Conclusion

Latin America has been preparing to financially educate nations and generate a more organized control, which allows economic growth to encourage savings and investment, despite these constructivist dynamics, young people tend to choose the easiest path that offers them economic solvency, regardless of the consequences, due to the lack of financial education as in the case of Catatumbo.

Emotions influence the purchasing decisions of 46% of the young population of the Agricultural Institute, obeying the desire and need to indulge themselves, and even going into debt beyond their daily financial capacity.

It is imperative to educate young people financially, within legal frameworks, to achieve financial changes in the behavioral culture that has created the conflict, being savings the fundamental basis for acquiring a future perspective covered with values, during the technical exercise of farms and promoter of development for the region.

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