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## Importance of the Financial Education to Obtain a Positive Economic Return

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**Abstract:** *It is important to have a financial education to be able to carefully plan and organize our personal budget, to have a savings plan, another for investments, so that we can make smart decisions to satisfy our needs and desires.*

*In this article I presented how through financial education, a mystery for many Romanians, we can improve our financial situation and significantly the quality of life*

### • Introduction

Surely the answer to this question is that financial education is very important because it gives us the knowledge and skills we need to manage money effectively. Without it, our financial decisions and the things we do - or don't do - lack a solid foundation for success. And this can have unfortunate consequences:

- Romanians are in last place in financial education in Europe;
- the last study carried out by the World Bank at the level of the European Union placed Romania in last place out of 127 countries qualified as answers, with a percentage of 22%, in the conditions of a European average of 55%;
- another research shows us that a quarter of Romanians do not save at all and only 17% of them have saving among their priorities, the rest putting aside only what they have left at the end of the month or year.

### • Material and method

The research methodology is based on a diverse bibliography and consisted of collecting information from the literature and includes along with books, articles, papers. The information collected through documentation, was subjected to analysis, was processed formulating the conclusions.

### • Results and discussions

Improving the degree of financial education requires the development and implementation in the medium and long term of a strategy, having the following two general objectives:

1. Increasing the degree of financial education by training skills in the field of financial education among children and adolescents and preparing them to become informed consumers of financial products, instruments and services.
2. Improving the knowledge and skills of the adult population to plan their own finances, to save for the future and to be informed consumers of services, products and financial instruments.

If you spend everything you earn, a personal budget will help you see how you can cut back or even save money. A record of income and all expenses made at least in the last month or two months will help a lot. This step will help to understand the phenomenon of "where the money goes" and determine how expenses can be managed.

The expenses are divided into three categories:

CATEGORIES OF EXPENSES		
FIXED EXPENSES	FLEXIBLE EXPENSES	TAX EXPENSES ON HOME, HOME AND CAR INSURANCE
must be paid to avoid penalties and here you include the credit rate, maintenance, electricity, telephone, cable, etc	the budget for food, meals with friends, clothes, products for personal use, vacations, etc..	must be paid as a rule annually or quarterly, but must included in the budget.

**Figure 1. The main categories of expenses**

BASIC ELEMENTS OF PERSONAL FINANCE				
BANKING ACTIVITIES	BUDGET	DEBT MANAGEMENT	LOANS	INVESTMENTS

**Figure 2. Basic elements of personal finance**

### • Conclusions

In conclusion, through financial education the basic financial skills are formed:

- understanding „what we spend money on”
  - what can be done to responsibly manage personal finances
- Obtaining financial education can help avoid unwise financial decisions to maintain financial independence.