



Promoting digital transformation and social innovation in VET
for better access of deaf students to the labour market

2022-1-PL01-KA220-VET-000086953

3D4DEAF DUAL TRAINING PACK

Module 2: Social Entrepreneurship

Topic 5: Financial and economic literacy



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TOPIC:

Financial and economic literacy

SUB TOPICS:

- Introduction to financial and economic literacy
- Basics of budgeting
- Make a plan for the financial sustainability of a value-creating activity

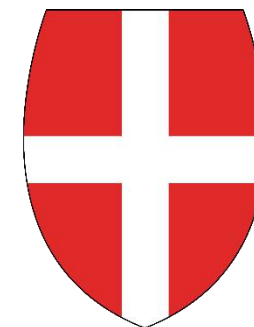
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Project Consortium



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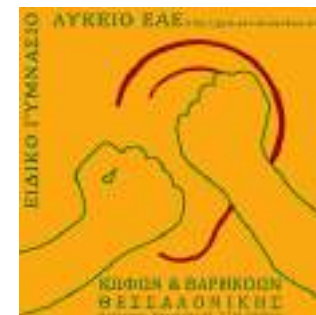
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Content of presentation



- **Subtopic 1:** Introduction to financial and economic literacy
- **Subtopic 2:** Basics of budgeting
- **Subtopic 3:** Make a plan for the financial sustainability of a value-creating activity

Key Symbols



Definition



Activity



Tips



Video



Additional resources



Learning outcomes

Module Social Entrepreneurship Topic 5: Financial and economic literacy

KNOWLEDGE

SKILLS

ATTITUDES

Sub-topic 1: Introduction to financial and economic literacy

STARTERS

- | | | |
|--|---|---|
| <ul style="list-style-type: none">• Fundamental concepts of financial literacy, including income, expenses, assets, and liabilities.• Overview of economic principles, such as supply and demand, market dynamics, and the role of entrepreneurship.• Insight into financial systems and institutions, emphasizing their impact on individual and community economic well-being. | <ul style="list-style-type: none">• Ability to interpret financial statements and understand key financial indicators.• Proficiency in using budgeting tools and techniques to manage personal and business finances.• Analytical skills to assess economic trends and make informed financial decisions. | <ul style="list-style-type: none">• Recognition of the importance of financial responsibility and accountability.• Cultivation of a proactive mindset towards economic challenges and opportunities.• Appreciation for ethical considerations in financial decision-making, promoting integrity and transparency. |
|--|---|---|

Learning outcomes

Module Social Entrepreneurship Topic 5: Financial and economic literacy

KNOWLEDGE

SKILLS

ATTITUDES

Sub-topic 2: Basics of budgeting

MOVERS

- | | | |
|--|---|---|
| <ul style="list-style-type: none">• Grasp of the basic principles of budgeting, including income planning and expense tracking.• Understanding the significance of creating realistic and achievable financial goals within a budget.• Knowledge of different budgeting approaches, such as zero-based budgeting or the 50/30/20 rule. | <ul style="list-style-type: none">• Proficiency in developing and maintaining a personal or business budget.• Ability to prioritize spending categories and allocate resources effectively.• Skills in adapting and revising budgets in response to changing financial circumstances. | <ul style="list-style-type: none">• Cultivation of discipline and diligence in adhering to budgetary constraints.• Appreciation for the role of budgeting in achieving financial independence and long-term stability.• Encouragement of a proactive and positive attitude toward financial planning and resource management. |
|--|---|---|

Learning outcomes

Module Social Entrepreneurship Topic 5: Financial and economic literacy

KNOWLEDGE

SKILLS

ATTITUDES

Sub-topic 3: Make a plan for the financial sustainability of a value-creating activity

MOVERS

- | | | |
|--|---|--|
| <ul style="list-style-type: none">• Understanding the concept of financial sustainability and its importance for long-term success.• Knowledge of key components of a financial sustainability plan, including revenue streams and cost management.• Familiarity with risk assessment and contingency planning within the context of financial sustainability. | <ul style="list-style-type: none">• Ability to conduct a thorough analysis of income sources and identify potential funding or investment opportunities.• Skills in developing strategic financial plans that align with the mission and goals of a value-creating activity.• Proficiency in creating financial projections and conducting scenario planning for different business outcomes. | <ul style="list-style-type: none">• Cultivation of a forward-thinking mindset focused on the continuous improvement and adaptation of financial strategies.• Recognition of the ethical dimensions of financial decision-making in sustaining a socially impactful enterprise.• Fostering a commitment to responsible financial practices that contribute to the longevity and positive impact of the value-creating activity. |
|--|---|--|

Topic Description

Financial literacy encompasses a comprehensive exploration of essential concepts and skills designed to empower deaf aspiring entrepreneurs on their journey to establishing socially impactful enterprises, ensuring that deaf individuals gain not only a foundational knowledge but also practical skills in financial and economic literacy.

The curriculum is divided into key sub-topics, including an introduction to fundamental financial and economic principles, basics of budgeting, and crafting plans for the financial sustainability of value-creating activities.

Topic Description

Learners will acquire a robust understanding of income, expenses, and economic dynamics, coupled with practical skills in budgeting and strategic financial planning.

With a focus on fostering positive values and attitudes towards financial responsibility, ethics, and proactive decision-making, the program equips individuals with the tools needed to navigate the complexities of entrepreneurship and promote financial independence within the deaf community.

Sub-topic 1: Introduction to financial and economic literacy

This sub-topic provides participants with foundational knowledge of financial and economic concepts, covering essential principles such as income, expenses, and economic dynamics, ensuring a solid understanding of financial systems.

Emphasizing that deafness should not be a barrier, this module lays the groundwork for participants to navigate the entrepreneurial landscape with confidence and informed decision-making.



The Importance of Financial Literacy



Financial literacy is not just a set of skills; it is a powerful tool that holds immense significance for both individuals and businesses, playing a pivotal role in shaping financial destinies.

For individuals, it is the compass guiding through the labyrinth of budgeting, saving, and investing. For businesses, financial literacy is the bedrock upon which strategic decisions are built.

In a world saturated with choices, understanding financial concepts empowers individuals to decipher complex financial jargon, evaluate investment options, and discern between sound and risky financial decisions.



The Importance of Financial Literacy



Entrepreneurial success is often synonymous with financial acumen.

Financial literacy is the compass guiding entrepreneurs through the turbulent seas of startup costs, revenue streams, and budgetary constraints.

It enables them to not only weather financial storms but also to identify opportunities for growth. In the entrepreneurial realm, where every decision holds financial implications, financial literacy becomes a distinguishing factor between a venture's success and failure. It provides the foresight to anticipate financial challenges, the wisdom to mitigate risks, and the agility to adapt to ever-changing economic landscapes.



Core Financial Concepts



1. Income represents the inflow of money, be it from salaries, investments, or other sources.
2. Expenses encompass all financial outflows, from daily expenditures to business costs.
3. Assets are the valuable possessions (both tangible and intangible)
4. Liabilities are the financial obligations and debts.



Examples within the Context of Entrepreneurship



- ✓ Income for a business may encompass sales revenue, investments, or grants.
- ✓ Expenses include operational costs, marketing expenditures, and employee salaries.
- ✓ Assets could range from physical assets like machinery to intangible assets like intellectual property.
- ✓ Liabilities may involve loans, payables, or contractual obligations.



Contribution to Overall Financial Health

The mastery of income, expenses, assets, and liabilities is instrumental in nurturing overall financial health. A balanced and sustainable financial approach involves optimizing income sources, prudently managing expenses, leveraging assets effectively, and mitigating liabilities.

By understanding how these concepts interconnect, individuals can cultivate a resilient financial ecosystem.

This knowledge acts as a compass, guiding towards financial stability, wealth accumulation, and the ability to weather economic fluctuations.



Economic Principles



At the core of economic understanding lies the principle of supply and demand.

Supply represents the quantity of goods or services available in the market, while demand signifies the consumer's desire to purchase those goods or services.

The delicate dance between supply and demand dictates pricing and market equilibrium. A grasp of this principle empowers individuals to comprehend market dynamics, make informed consumption choices, and strategically position products or services in the marketplace.



The Role of Entrepreneurship in Shaping Economic Landscapes



Entrepreneurship is a dynamic force that shapes and transforms economic landscapes.

This segment explores the pivotal role entrepreneurs play in driving innovation, creating job opportunities, and fostering economic growth.

By introducing new products, services, and business models, entrepreneurs not only respond to existing market demands but also have the potential to shape and influence those demands, contributing significantly to the overall economic fabric.



Exploring the Connection Between Economic Trends and Business Decisions



The economic landscape is ever-changing, influenced by trends and external factors.

Understanding this connection is crucial for entrepreneurs. By identifying and adapting to economic trends, entrepreneurs can make informed decisions about production, pricing, and market entry.

Whether responding to technological advancements, demographic shifts, or global events, entrepreneurs who comprehend the intricate relationship between economic trends and business decisions are better positioned to navigate challenges and capitalize on emerging opportunities.



The Function of Financial Systems and Institutions



Financial systems and institutions form the backbone of economic activities.

Financial institutions, such as banks and investment firms, play a crucial role in mobilizing capital, providing financial services, and maintaining the stability of the overall financial system.

Understanding these functions is essential for individuals and businesses navigating the broader economic landscape.



Impact on Individual and Community Economic Well-being



Financial systems and institutions wield a profound influence on the economic well-being of both individuals and communities.

This section explores how access to financial services, credit facilities, and investment opportunities directly impacts an individual's financial stability and a community's economic development.

By fostering financial inclusion and providing avenues for economic participation, robust financial systems contribute to the overall prosperity of individuals and communities alike.



Real-World Examples of Financial Systems in Action



1. Banking Systems Supporting Entrepreneurship:

In many countries, banking systems play a crucial role in supporting entrepreneurship. Entrepreneurs can access business loans to start or expand their ventures. For instance, a small business owner may secure a loan to purchase equipment or invest in marketing strategies, fostering growth and economic development.

2. Investment Institutions Driving Capital into Emerging Markets:

Investment institutions, such as venture capital firms, actively participate in driving capital into emerging markets. For instance, a venture capital fund may invest in a startup in a developing economy, providing the necessary funding for innovation and job creation, thus contributing to economic growth.



Real-World Examples of Financial Systems in Action



3. Stock Exchanges Facilitating Capital Raising for Corporations:

Stock exchanges, like the New York Stock Exchange (NYSE) or the London Stock Exchange (LSE), serve as platforms for corporations to raise capital by issuing stocks. When a company goes public through an initial public offering (IPO), it offers shares to the public, attracting investments that can be used for business expansion, research, and development.

4. Microfinance Institutions Empowering Local Communities:

Microfinance institutions, such as Grameen Bank in Bangladesh, provide financial services to individuals in underserved communities. By offering small loans to entrepreneurs who may not have access to traditional banking, microfinance empowers individuals to start or expand small businesses, fostering economic self-sufficiency.

5. Central Banks Influencing Monetary Policy:

Central banks, like the Federal Reserve in the United States or the European Central Bank, play a pivotal role in influencing monetary policy. Through mechanisms such as interest rate adjustments, central banks manage inflation, stabilize currency values, and promote economic stability at a national level.

Sub-topic 2: Basics of Budgeting

Basics of Budgeting explores the fundamental principles of financial planning, empowering participants to master the art of budget creation.

It covers essential skills such as income and expense management, offering practical tools for participants to develop personalized budgets.

By demystifying the budgeting process, individuals gain the expertise needed to enhance financial discipline and achieve their economic goals.



Definition of Budgeting and its Role in Financial Management



- ✓ Budgeting is the strategic process of planning, organizing, and controlling financial resources to achieve specific goals. It involves creating a detailed plan that outlines income, expenses, savings, and investments over a defined period.
- ✓ Budgeting serves as the compass in financial management, providing a roadmap for allocating resources efficiently. It acts as a proactive tool, allowing individuals and businesses to anticipate financial needs, make informed decisions, and achieve financial stability.



Benefits of Budgeting



• *Individuals:*

- **Financial Discipline:** Budgeting instills financial discipline, helping individuals curb impulsive spending and prioritize financial goals.
- **Goal Achievement:** It enables individuals to set and achieve short-term and long-term financial goals, whether it's saving for a vacation, purchasing a home, or retiring comfortably.
- **Stress Reduction:** By providing a clear financial plan, budgeting reduces uncertainty and stress related to money matters.

• *Businesses:*

- **Resource Allocation:** Budgets help businesses allocate resources efficiently, ensuring that funds are directed toward activities that align with strategic objectives.
- **Performance Evaluation:** Budgets serve as benchmarks for evaluating business performance. Deviations from the budget provide insights into areas that may need attention.
- **Decision Support:** Informed by budgetary data, businesses can make strategic decisions regarding expansion, investments, and cost management.



The Importance of Budgeting in Achieving Financial Goals



✓ **Strategic Goal Alignment**

Budgeting acts as a bridge between financial resources and strategic goals. It aligns day-to-day financial activities with overarching objectives, ensuring that every financial decision contributes to the realization of these goals.

✓ **Long-Term Financial Health**

Budgeting is integral to achieving and maintaining long-term financial health. It helps individuals and businesses build reserves, manage debts wisely, and navigate economic uncertainties with resilience.

✓ **Empowerment and Control**

By fostering a proactive approach to financial management, budgeting empowers individuals and businesses to take control of their financial destinies, steering them toward success and mitigating risks along the way.



Key Components of a Budget



1. **Income:** The financial inflow comprising salaries, wages, bonuses, investments, or any other source of monetary gain.
2. **Expenses:** The financial outflows that include all expenditures, from daily living costs to business operational expenses.
3. **Savings:** The portion of income set aside for future needs or emergencies, contributing to financial resilience.
4. **Investments:** Funds allocated for assets with the expectation of generating returns, enhancing overall financial growth.



How to Categorize and Prioritize Expenses

- *Categorization:* Expenses are categorized into fixed and variable. Fixed expenses remain constant (e.g., rent, mortgage), while variable expenses fluctuate (e.g., groceries, entertainment). This categorization aids in organizing and managing expenditures effectively.
- *Prioritization:* Prioritizing expenses involves identifying essential needs versus discretionary wants. This ensures that crucial financial obligations are met before allocating funds to non-essential items.



Examples of Fixed and Variable Expenses



Fixed Expenses:

- **Rent/Mortgage:** A regular, predetermined payment for housing.
- **Insurance Premiums:** Monthly or annual payments for insurance coverage.
- **Loan Repayments:** Consistent payments towards loans, such as car loans or student loans.

Variable Expenses:

- **Groceries:** Monthly spending on food, which can vary based on needs and preferences.
- **Entertainment:** Costs associated with leisure activities, which may fluctuate month to month.
- **Dining Out:** Variable spending on restaurant meals and takeout.



Step-by-Step Process of Creating a Personal Budget



1. **Income Assessment:** Begin by detailing all sources of income, including salaries, bonuses, and any additional revenue streams.
2. **Expense Identification:** List and categorize all expenses—fixed, variable, and discretionary. Ensure a thorough understanding of where money is allocated.
3. **Setting Financial Goals:** Establish short-term and long-term financial goals, providing a framework for budget allocation.
4. **Budget Allocation:** Distribute income among essential needs, savings, investments, and discretionary spending based on the predetermined percentages or priorities.



Setting Financial Goals and Aligning Them with Budgeting Priorities



Goal Types

Short-Term Goals

These are immediate financial objectives typically achievable within a year. Examples include creating an emergency fund, saving for a vacation, or paying off a credit card.

Long-Term Goals

Long-term aspirations extend beyond a year and often involve significant financial commitments. Examples encompass saving for a home, funding education, or building a retirement nest egg.





Alignment with Priorities

Priority Identification

Encourage individuals to identify and prioritize their financial goals based on urgency and importance. Some goals may take precedence over others, reflecting individual values and current life circumstances.

Budget Allocation

Once goals are established and prioritized, allocate funds in the budget accordingly. For instance, if debt reduction is a priority, allocate a larger percentage of income to debt payments.





Balancing Immediate Needs and Future Aspirations

Essential Needs

Ensure that budgeting priorities address immediate essential needs, such as housing, utilities, and groceries. These are the foundational elements of financial well-being.

Aspirational Goals

Allocate a portion of the budget to aspirational goals, balancing the present and the future. This may involve saving for a home while still meeting monthly living expenses.



Setting Financial Goals and Aligning Them with Budgeting Priorities



Regular Review and Adjustment

Periodic Evaluation

Stress the importance of regularly evaluating financial goals and adjusting budget priorities as needed. Life circumstances, income changes, and evolving aspirations may necessitate modifications to the budget.

Mindful Adaptation

Cultivate a mindset of mindful adaptation. Participants should feel empowered to make conscious adjustments to their budgeting strategy to align with changing priorities and financial realities.



Sub-topic 3: Make a Plan for the Financial Sustainability of a Value-Creating Activity

This sub-topic guides learners in crafting strategic financial plans to ensure the longevity and success of their ventures.

It covers key aspects of financial sustainability, including budgeting for growth, revenue diversification, and risk management, empowering entrepreneurs to build resilient and economically impactful enterprises.



Financial Sustainability in the Context of Value Creation



Financial sustainability, in the context of value creation, refers to the ability of a venture to manage its financial resources effectively over the long term while delivering meaningful social impact.

It involves striking a balance between generating revenue and maintaining a commitment to the organization's mission and values.



Long-Term Impact of Strategic Financial Planning on Business Resilience



- ✓ Strategic financial planning involves forecasting, budgeting, and making informed financial decisions aligned with long-term goals.
- ✓ Businesses equipped with a well-thought-out financial plan are better positioned to weather economic uncertainties, adapt to market changes, and navigate challenges.
- ✓ Resilience ensures the sustained existence and growth of the venture.
- ✓ A financially sustainable venture can consistently allocate resources to activities that contribute to positive social change.
- ✓ A financially resilient venture can consistently deliver on its social commitments, creating lasting change and contributing to the well-being of the community it serves.



Key Elements of a Strategic Financial Plan



Revenue Projections:

Revenue projections involve estimating the anticipated income that a venture expects to generate over a specific period. These projections are based on a comprehensive analysis of various income sources, taking into account market conditions, sales forecasts, and other relevant factors.

Expense Management

Expense management is the systematic process of controlling and optimizing the costs associated with running a business. This includes categorizing and monitoring both fixed and variable expenses to ensure efficient allocation of financial resources.

Cash Flow Analysis

Cash flow analysis is an examination of the inflow and outflow of cash within a business. It assesses how well a venture manages its liquidity by analyzing the timing and amount of cash receipts and payments, ensuring there is sufficient cash to meet operational needs.



Key Elements of a Strategic Financial Plan



Risk Assessment:

Risk assessment involves identifying and evaluating potential risks that could impact the financial stability of a venture. This process includes analyzing internal and external factors that may pose threats, and developing strategies to mitigate or manage these risks.

Long-Term Investment Plans:

Long-term investment plans involve strategic decisions regarding the allocation of financial resources for initiatives that contribute to the growth and sustainability of the business over an extended period. This may include capital expenditures, research and development, and other projects that enhance the organization's competitiveness



Integrating Financial Goals with the Overall Mission and Vision of a Business



Define Mission and Vision Clearly:

Clearly articulate the mission of the business, outlining its fundamental purpose, the value it provides to customers or society, and the problems it aims to solve.

Define the long-term vision, describing the desired future state of the business and the impact it aspires to make on the world.

Align Financial Goals with Purpose

Ensure that financial goals are directly aligned with the purpose and values expressed in the mission.

For example, if the mission emphasizes sustainability, financial goals might include reducing environmental impact or investing in eco-friendly initiatives.



Integrating Financial Goals with the Overall Mission and Vision of a Business



Incorporate Social Impact Metrics

Integrate social impact metrics within financial goals to measure the business's contribution to societal well-being. This might include metrics related to environmental sustainability, community development, or social justice, depending on the nature of the business.

Communicate Alignment Internally

Ensure that employees understand how their roles contribute to the mission and vision, and how achieving financial goals directly supports the overarching purpose. This fosters a sense of shared purpose and commitment.

Consider Stakeholder Interests

Take into account the interests of various stakeholders, including customers, employees, and the broader community. Financial goals should reflect a commitment to delivering value not only to shareholders but to all stakeholders.



Budgeting Strategies for Business Expansion



1. Incremental Budgeting:

1. *Definition:* Incremental budgeting involves building upon the existing budget by making incremental adjustments to accommodate expansion plans.
2. *Application:* Identify specific areas requiring additional resources due to expansion, such as marketing, personnel, or infrastructure, and allocate budget increases accordingly.

2. Zero-Based Budgeting:

1. *Definition:* Zero-based budgeting requires a reassessment of all expenses from scratch, justified for each budget cycle.
2. *Application:* Evaluate existing costs, eliminate inefficiencies, and allocate funds based on the current needs and objectives of the expansion plan.

3. Activity-Based Budgeting:

1. *Definition:* Activity-based budgeting allocates resources based on the anticipated activities and projects tied to business expansion.
2. *Application:* Identify key activities supporting expansion (e.g., new product launches, market entry strategies) and allocate budgets accordingly to ensure each activity is adequately funded.



Budgeting Strategies for Business Expansion



4. Flexible Budgeting:

1. *Definition:* Flexible budgeting allows for adjustments based on changes in business conditions or unexpected developments.
2. *Application:* Given the dynamic nature of business expansion, create budgets with built-in flexibility to adapt to evolving circumstances, enabling quick responses to market changes.

5. Rolling Budgets:

1. *Definition:* Rolling budgets involve regularly updating budgets, typically on a monthly or quarterly basis, to reflect the latest information and adjustments.
2. *Application:* Keep budgets dynamic by regularly reviewing and updating them, ensuring they align with the evolving needs and progress of the expansion plan.



Revenue Diversification



Revenue diversification is the strategic approach of generating income from multiple and varied sources rather than relying solely on a single revenue stream.

This can include expanding product or service offerings, entering new markets, or establishing alternative income channels.



Benefits of Revenue Diversification

- ✓ **Risk Mitigation:** Diversifying revenue streams reduces dependence on a single source, mitigating the impact of fluctuations or downturns in any specific market or industry. This enhances the financial stability of the business.
- ✓ **Increased Resilience:** A diversified revenue base makes a business more adaptable to changing market conditions, economic fluctuations, or unforeseen events. This adaptability enhances the overall resilience of the business.
- ✓ **Long-Term Growth Potential:** Revenue diversification often opens up new opportunities for growth, enabling the business to tap into different customer segments, markets, or industries. This can contribute to sustained long-term financial health.





Benefits of Revenue Diversification

- ✓ **Enhanced Competitive Advantage:** Businesses with diverse revenue streams can position themselves more competitively by offering a broader range of products or services. This versatility can attract a wider customer base and provide a competitive edge.
- ✓ **Financial Flexibility:** Diversification can create additional financial resources that can be reinvested into the business for innovation, expansion, or improvements. This financial flexibility contributes to the overall sustainability of the organization.



Risks Associated with Over-Reliance on a Single Revenue Source



- ❖ **Vulnerability to Market Changes:** Relying on a single revenue source makes the business highly susceptible to market volatility. Changes in customer preferences, economic conditions, or industry trends can significantly impact revenue.
- ❖ **Cyclical Industry Risks:** Businesses in cyclical industries may face heightened risks if they depend on a single revenue source. Economic downturns in that specific industry can lead to substantial financial challenges.
- ❖ **Competitive Threats:** A single revenue source can leave the business vulnerable to disruption from competitors or new market entrants. Diversification helps build a more robust defense against competitive threats.



Risks Associated with Over-Reliance on a Single Revenue Source



- ❖ **Financial Instability:** Over-reliance on a single revenue stream may lead to cash flow challenges during lean periods, making it difficult for the business to cover operating expenses and financial obligations.
- ❖ **Lack of Innovation:** A business that relies on a single revenue source might become complacent and resistant to innovation. Diversification encourages ongoing exploration of new ideas and markets.



Summary

In an ever-evolving global landscape, the importance of Financial and Economic Literacy cannot be overstated. Beyond the mere understanding of financial principles, this literacy serves as a beacon guiding individuals through the intricacies of economic decision-making, fostering resilience and empowerment.

It is a key to unlocking doors that lead to informed financial choices, personal well-being, and entrepreneurial success. Financial literacy transcends socio-economic barriers, empowering individuals to navigate complexities with confidence.

It is the bedrock upon which sustainable businesses and thriving communities are built, offering a pathway towards economic independence and social impact.

By equipping individuals, including those within the deaf community, with the tools to comprehend, strategize, and navigate the financial landscape, we foster a society where financial literacy becomes not just a skill, but a transformative force that transcends obstacles, ultimately leading to a more equitable and empowered future.

Glossary

- **Financial Literacy:** The ability to understand and use various financial skills, including personal financial management, budgeting, and investing.
- **Economic Literacy:** An understanding of fundamental economic concepts, such as supply and demand, inflation, and economic systems, enabling informed decision-making in economic matters.
- **Budgeting:** The process of creating a detailed plan that outlines how financial resources will be allocated over a specific period to achieve specific goals.
- **Financial Sustainability:** The ability of an individual or organization to manage finances effectively over the long term, ensuring ongoing financial health and resilience.
- **Revenue Diversification:** The strategic approach of generating income from multiple and varied sources, reducing dependence on a single revenue stream.
- **Risk Management:** The identification, assessment, and mitigation of potential risks to ensure the protection of financial assets and the sustainability of operations.

Glossary

- **Supply and Demand:** The fundamental economic principle that describes the relationship between the availability of a product or service (supply) and the desire for that product or service (demand).
- **Financial Goals:** Specific, measurable objectives that individuals or organizations set to achieve desired financial outcomes, such as savings targets, debt reduction, or investment milestones.
- **Fixed Expenses:** Regular and predictable costs that do not change from month to month, such as rent, mortgage, or insurance.
- **Variable Expenses:** Costs that can fluctuate month to month, such as groceries, entertainment, or utility bills.

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