

NATURE AND IMPORTANCE OF FINANCIAL MANAGEMENT

by:

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One of the major concerns of any wage earners like the teachers is the financial management. This is one aspect of life that needs to be undertaken with much prudence and care because the world is becoming more demanding and there are several essentials that need to be addressed not only for one's benefit but for the sake of the family.

Financial management is a way of handling one's finances like salaries with wise spending and allotment. Thus, this will lead to the kind of quality of life that may be considered advantageous for any individual.

It is better if someone has to consider the factors that needs to be cited in order to attain a good financial management, to wit: financial literacy, financial well-being and financial concerns.

Financial literacy is the capability to understand financial matters. It is having the awareness of those essential things that need to be prioritized in life. It is learning the right allotment of one's monthly budget to different aspects or proceeds whether need or want. Financial literacy teaches us to learn from the past, do the right things at present and anticipate the needs for the future. It also teaches us how to save for tomorrow.

Financial well-being refers to an individual's satisfaction and welfare when it comes to finances. In order to achieve financial well-being, one must learn from the lessons of financial literacy. Upon the acquisition of the essence of financial literacy and upon the its manifestation in one's life financial well-being is achieved.

Financial concern is another significant factor that needs to be addressed. People have diverse needs and these are their financial concerns. There are people who need to prioritize the basic needs, there are people who must address the education of their children and there are people who give more emphasize on health.

Financial literacy, financial well-being and financial concerns are important factors that are embedded in financial management. Teachers like us must be able to contemplate on the discussed matters and be ready to work for our own financial management.

Things are well-done if they are being managed well. Finances would be enough if money will be allotted and spent wisely. Financial management is very important to all teachers in order for them to handle their finances very well.

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