

Strengthening Financial Awareness through Learning Experiences: Building a Foundation for Future Workforce Competitiveness

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Abstract. Financial capability has become an essential competency for younger generations in facing increasingly complex economic and social challenges. However, educational systems still predominantly emphasize academic achievement while paying limited attention to developing students' financial awareness from an early educational stage. This condition potentially creates a gap between academic competence and real-life financial decision-making abilities. Therefore, this conceptual paper aims to explore the role of strengthening financial awareness among students as a foundation for developing a financially responsible and competitive future workforce. The study employs a conceptual and comparative literature approach by synthesizing theories and previous studies related to financial literacy, financial awareness, financial behavior, and future readiness. Through a critical review of prior literature, this paper proposes a conceptual framework explaining the relationship between financial education, financial awareness, financial behavior, and future readiness among students. The synthesis suggests that strengthening financial awareness during the school period may foster responsible financial attitudes and positive financial behaviors that enhance students' preparedness for future economic and professional challenges. This paper contributes to educational and financial literature by emphasizing the strategic role of schools in integrating financial awareness development as part of holistic student preparation for future challenges.

Keywords: Financial Awareness; Financial Behavior; Financial Education; Future Readiness; Workforce Competitiveness.

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1. Introduction

The rapid transformation of digital economies and technological environments has increased the importance of financial capability as an essential life skill for younger generations. Beyond academic achievement, students are increasingly expected to possess competencies that support future preparedness, including the ability to understand financial concepts, make responsible financial decisions, and manage economic resources effectively. Financial knowledge has become a form of human capital investment that contributes to individual welfare and long-term decision-making quality [1]. In recent years, the increasing integration of digital financial systems, electronic transactions, and financial technology services has further strengthened the urgency of introducing financial competencies at earlier educational stages [2],[3]

Despite the increasing importance of financial competencies, educational systems continue to place stronger emphasis on academic performance and standardized cognitive outcomes than on practical life skills. Schools frequently focus on measurable academic achievement while paying relatively less attention to competencies associated with future economic preparedness and financial responsibility [3],[4]. Consequently, students may demonstrate strong academic performance while simultaneously experiencing difficulties in understanding and managing financial matters in everyday situations.

Previous studies consistently indicate that financial literacy contributes positively to financial decision-making and long-term financial outcomes. Individuals with stronger financial literacy tend to exhibit better saving behavior, improved financial planning capability, and greater financial well-being [1],[5],[6]. Financial education programs have also been shown to positively influence financial behavior and economic preparedness among younger individuals [7]. Furthermore, scholars argue that early financial education may create stronger financial habits and improve future economic resilience [8].

However, previous studies have primarily focused on financial literacy as a knowledge-based construct emphasizing understanding of financial concepts and educational outcomes. Comparatively less attention has been devoted to financial awareness as a broader construct involving individual consciousness, perception, and recognition of financial responsibility and future financial consequences. While financial literacy focuses on what individuals know, financial awareness reflects how individuals perceive and internalize financial responsibility in their daily behavior and future planning [5], [9]. Therefore, understanding financial awareness among students remains an important area that requires further conceptual exploration.

The emergence of financial technology has intensified this challenge. Younger generations increasingly interact with digital financial environments through electronic payments, online purchasing systems, and technology-based financial applications. Although these systems offer convenience and accessibility, they simultaneously increase exposure to financial risks such as impulsive consumption behavior and poor financial decision-making [3], [10]. Consequently, educational institutions may play an important role in strengthening financial awareness among students through educational practices that support responsible financial attitudes and behaviors.

Based on these concerns, this conceptual paper aims to explore the role of strengthening financial awareness among students as a foundation for strengthening workforce competitiveness through financial preparedness and responsible financial behavior. Through comparative and discursive analysis of existing literature, this paper synthesizes concepts related to financial education, financial awareness, financial behavior, and future readiness. Subsequently, a conceptual framework and hypotheses are proposed to guide future empirical investigations.

This paper contributes to the literature in two ways. First, it extends previous studies by emphasizing financial awareness beyond traditional financial literacy perspectives. Second, it proposes a conceptual foundation for integrating financial awareness development into educational environments as part of holistic student preparation for future challenges.

2. Preliminaries or Related Work or Literature Review

Financial Education

Financial education refers to a structured process through which individuals acquire knowledge, skills, understanding, and confidence necessary for making informed financial decisions and improving financial well-being[11]. Financial education is considered an important instrument for preparing individuals to manage financial resources effectively and respond to increasingly complex economic environments. Previous studies suggest that financial education contributes significantly to improving financial capability and promoting better financial behavior [5],[7].

Educational institutions are increasingly recognized as important environments for introducing financial concepts at earlier stages of development. Exposure to financial education during school years enables students to develop understanding related to saving behavior, budgeting practices, and responsible financial decision-making [4]. Furthermore, financial education creates opportunities for students to understand financial consequences and establish stronger financial attitudes before entering adulthood [8].

Recent studies indicate that students who receive financial education tend to demonstrate stronger financial confidence and improved financial preparedness compared to individuals with limited financial exposure [6],[12]. Therefore, financial education may function as an initial mechanism through which students develop awareness regarding financial responsibilities and future financial outcomes

Financial Awareness

Financial awareness represents an individual's level of consciousness and recognition regarding financial responsibilities and the consequences of financial decisions. Unlike financial literacy, which focuses primarily on knowledge acquisition, financial awareness involves internal understanding and personal recognition of financial issues affecting present and future conditions [13].

Previous studies frequently focus on financial literacy as a cognitive construct; however, awareness-related perspectives remain relatively underexplored. Financial awareness extends beyond understanding financial concepts because it also incorporates attitudes and perceptions toward financial responsibility [9]. Individuals demonstrating higher levels of financial awareness are more likely to recognize the importance of saving behavior, financial planning, and responsible resource allocation [14].

Among students, financial awareness may become increasingly important because financial behaviors and attitudes developed during adolescence often continue into adulthood. Therefore, strengthening financial awareness during educational stages may contribute significantly to long-term financial preparedness and future sustainability [8].

Financial Behavior

Financial behavior refers to actions and decisions associated with managing financial resources, including saving behavior, spending patterns, budgeting practices, and financial planning activities [15]. Financial behavior has frequently been considered one of the key outcomes of financial education and financial literacy initiatives. Existing literature suggests that individuals possessing stronger financial understanding and awareness tend to demonstrate more responsible financial behaviors [5], [15]. Positive financial behavior includes maintaining spending discipline, setting financial priorities, and developing long-term financial plans [16]. Financial behavior among younger individuals has become increasingly important because financial habits developed during educational periods often become long-term patterns influencing future financial well-being [6]. Therefore, financial behavior may serve as an important mechanism connecting financial awareness and future preparedness.

2.4 Future Readiness

Future readiness refers to individuals' preparedness to adapt and respond effectively to future personal, economic, and professional challenges [17]. Future readiness involves not only academic competence but also practical capabilities and life skills supporting sustainable personal development. Several studies indicate that younger generations require competencies extending beyond cognitive achievement to face future uncertainties and technological changes [18]. Financial preparedness has increasingly been recognized as one component of future readiness because financial decisions influence educational opportunities, career planning, and long-term welfare [1]. Therefore, strengthening financial awareness and promoting responsible financial behavior among students may contribute positively to preparing future generations capable of making effective and sustainable life decisions.

Future readiness may also be viewed as an important antecedent of workforce competitiveness. Individuals who are capable of making informed financial decisions, adapting to economic changes, and planning for future opportunities are more likely to become productive, resilient, and competitive participants in the labor market. Therefore, strengthening financial awareness and responsible financial behavior among students may contribute not only to future preparedness but also to the development of a more competitive future workforce.

3. Hypotheses Development

Based on previous literature, this paper proposes a conceptual framework describing the relationship between financial education, financial awareness, financial behavior, and future readiness.

Financial education enables students to acquire financial understanding that may subsequently strengthen their consciousness regarding financial responsibility [5],[7].Therefore:

H1: Financial education positively influences students' financial awareness.

In addition to increasing awareness, financial education may directly shape individuals' financial behavior. Students who receive adequate financial education are more likely to practice budgeting, saving, spending control, and other responsible financial activities. Empirical evidence indicates that financial education contributes to the development of positive financial behavior among young adults and students [5],[8],[12]. Therefore:

H2: Financial education positively influences students' financial behavior.

Financial awareness reflects an individual's recognition and understanding of financial responsibilities and the potential consequences of financial decisions. Individuals with higher levels of financial awareness tend to demonstrate more prudent and responsible financial behavior because they are more capable of evaluating the long-term implications of their financial choices [11],[14],[15]. Therefore:

H3: Financial awareness positively influences students' financial behavior.

Financial awareness may also contribute directly to future readiness. Students who are conscious of financial responsibilities are generally better prepared to face future economic, social, and professional challenges because they are more capable of planning, evaluating risks, and making informed decisions regarding their future resources. Financial awareness has been recognized as an important factor supporting financial capability, economic resilience, and long-term preparedness [1], [3],[10]. Therefore:

H4: Financial awareness positively influences students' future readiness.

Financial behavior represents the practical application of financial knowledge and awareness in everyday financial activities. Responsible financial behavior, such as budgeting, saving, and prudent financial management, contributes to individuals' ability to achieve financial security and prepare for future opportunities and uncertainties. Consequently, individuals who demonstrate positive financial behavior are more likely to exhibit higher levels of future readiness [8], [9],[16]. Therefore:

H5: Financial behavior positively influences students' future readiness.

Financial awareness may serve as a mediating mechanism through which financial education influences future readiness. Financial education increases awareness of financial responsibilities, which subsequently encourages better preparation for future economic and professional challenges. Thus, the effect of financial education on future readiness may operate indirectly through financial awareness [13],[16]. Therefore:

H6: Financial awareness mediates the relationship between financial education and future readiness.

Financial behavior may also mediate the relationship between financial education and future readiness. Financial education promotes responsible financial practices, and these behaviors contribute to stronger preparedness for future challenges. Accordingly, financial behavior represents an important pathway through which financial education enhances future readiness [5],[8],[9]. Therefore:

H7: Financial behavior mediates the relationship between financial education and future readiness.

Based on the synthesis of previous literature, this conceptual paper proposes a framework illustrating the relationships among financial education, financial awareness, financial behavior, and future readiness among students. The framework suggests that financial education acts as an initial mechanism that develops students' financial understanding and strengthens their awareness regarding financial responsibility. Increased financial awareness subsequently influences students' financial behavior, which ultimately contributes to future readiness.

The proposed model assumes that financial awareness may also function as a mediating mechanism linking financial education and future preparedness.

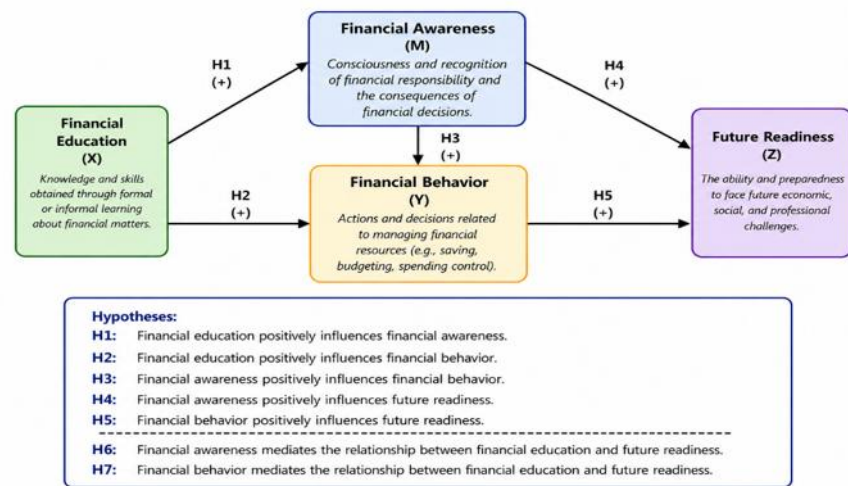


Figure 1. Proposed conceptual framework.

Note: X = Independent Variable, M = Mediating Variable, Y = Intermediate Variable, Z = Dependent Variable.

Figure 1. Proposed conceptual framework of the relationships among financial education, financial awareness, financial behavior, and future readiness among students.

The conceptual framework proposes that improving financial awareness at educational stages can facilitate responsible financial behavior and enhance students' preparedness for future economic and social challenges.

4. Discussion

The conceptual framework developed in this study positions financial awareness as a central mechanism that bridges financial education and future readiness among students. Existing studies have widely acknowledged the importance of financial literacy in improving financial decision-making; however, knowledge acquisition alone may not be sufficient to shape responsible financial behavior. Students may understand financial concepts theoretically but still encounter challenges when applying such knowledge in real-life financial situations. Therefore, strengthening financial awareness becomes essential because it encourages students to internalize financial responsibility and consider the long-term consequences of their financial choices. UNESCO (2021), in its Futures of Education initiative, emphasizes that educational systems should move beyond the transmission of academic knowledge and focus on preparing learners to navigate uncertainty, complexity, and rapid social and technological transformation. Future generations are expected to develop capabilities that support resilience, adaptability, responsible decision-making, and sustainable personal development in increasingly unpredictable environments. Within this context, financial awareness may be regarded as one of the practical competencies that enables students to respond more effectively to future economic challenges, evaluate risks, and make informed decisions regarding their personal and professional lives.

From this perspective, financial awareness extends beyond cognitive understanding and incorporates personal reflection, responsibility, and sensitivity toward financial issues. Students with stronger financial awareness are more likely to evaluate spending decisions carefully, prioritize long-term goals, and develop prudent financial habits. Consequently, financial awareness may function as a psychological foundation that transforms financial knowledge into responsible financial actions. This argument supports the view that educational interventions should focus not only on increasing what students know about finance but also on shaping how they perceive and value financial responsibility.

The distinction between financial literacy and financial awareness represents an important theoretical contribution of this framework. Financial literacy primarily reflects an individual's ability to understand financial concepts and information, whereas financial awareness reflects the extent to which financial knowledge becomes internalized into personal values, responsibility, and everyday decision-making processes. Consequently, students may possess adequate financial knowledge while still demonstrating poor financial behavior if such knowledge has not been translated into genuine awareness of future financial consequences. Unlike many previous studies that predominantly emphasize financial literacy as a knowledge-based outcome, this framework positions financial awareness as a key psychological mechanism linking financial education, financial behavior, and future readiness. This

perspective suggests that awareness functions as a psychological catalyst that transforms knowledge into action and highlights that internalized financial responsibility may be as important as financial knowledge itself in preparing younger generations for future challenges.

The growing digitalization of financial services further reinforces the importance of this issue. Today's students interact with various financial technologies, including digital payment systems, online marketplaces, and mobile financial applications, at increasingly younger ages. While these innovations provide convenience and broader financial access, they also expose students to greater risks associated with impulsive consumption, excessive spending, and poor financial judgment. As a result, educational institutions are expected to play a more proactive role in cultivating financial awareness through meaningful learning experiences that encourage critical thinking and responsible financial decision-making. These developments suggest that financial awareness is becoming increasingly important not only for managing present financial decisions but also for preparing students to navigate future economic uncertainty and complexity.

The framework also highlights future readiness as an important outcome of financial awareness development. Future readiness should not be interpreted solely as academic preparedness but as an individual's capacity to navigate future economic, technological, and professional challenges. In contemporary societies, future readiness increasingly requires individuals to possess not only academic competencies but also the capacity to manage financial uncertainty, evaluate risks, and make informed decisions throughout different stages of life. Students who develop stronger financial awareness and responsible financial behavior may be better equipped to manage educational opportunities, career planning, financial uncertainty, and long-term personal welfare. In this regard, financial preparedness becomes an integral component of broader life readiness.

The proposed framework also generates practical implications for educational institutions and policymakers. Schools may strengthen students' financial awareness through experiential learning approaches such as budgeting projects, financial simulations, entrepreneurial activities, and problem-based learning related to financial decision-making. Such initiatives may help bridge the gap between financial knowledge and actual financial behavior by providing students with opportunities to apply financial concepts in realistic situations.

Furthermore, integrating financial awareness into educational practices may contribute not only to individual financial preparedness but also to the development of future human capital capable of supporting economic resilience, workforce competitiveness, and sustainable societal development. The relevance of future readiness is further supported by the World Economic Forum (2023), which identifies adaptability, analytical thinking, resilience, and lifelong learning as critical competencies required in future labor markets. Accordingly, strengthening financial awareness from an early educational stage may help prepare future generations who are not only financially responsible but also adaptable, resilient, and capable of making informed decisions in increasingly complex economic environments.

5. Conclusion

This conceptual paper highlights the importance of strengthening financial awareness among students as a future-readiness competency. While financial education provides essential knowledge and understanding, financial awareness plays a critical role in helping students translate financial knowledge into responsible financial behavior and informed decision-making. As a result, students may become better prepared to face future economic challenges and uncertainty.

The proposed framework suggests that financial education contributes to future readiness through the development of financial awareness which subsequently encourages positive financial behavior. This study contributes to the financial education literature by positioning financial awareness as a key mechanism linking financial education and future readiness. In doing so, the proposed framework extends conventional financial literacy perspectives by emphasizing the role of internalized financial responsibility as a critical determinant of future-oriented behavior and preparedness.

From a practical perspective, educational institutions are encouraged to integrate financial awareness development into both formal and informal learning environments. Learning activities that promote financial reflection, responsible decision-making, and real-world financial problem solving may strengthen students' preparedness for future economic

and professional challenges. In the long term, such initiatives may contribute to the development of a workforce that is not only academically competent but also financially resilient and capable of navigating increasingly complex economic environments.

Future research is encouraged to empirically test the proposed framework and explore additional factors that may influence financial awareness, financial behavior, and future readiness across different educational and cultural contexts.

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