

FROM FINANCIAL ILLITERACY TO FINANCIAL FREEDOM: INVESTING IN SOUTH AFRICA'S YOUTH

South Africa's economic future depends not only on the resources we possess, the policies we implement, or the jobs we create, but also on the financial knowledge of our people. A country may invest billions of rands in education, infrastructure and economic development, yet still struggle to achieve sustainable growth if its citizens lack the knowledge to manage financial resources effectively. As we consider the priorities of our national budget, we must therefore ask ourselves an important question: Are we preparing young South Africans not only to earn money, but also to understand, manage and grow it? I believe that financial literacy must become a national priority because an economically empowered nation begins with financially empowered citizens.

Education is widely recognised as one of the most powerful tools for reducing poverty and promoting economic development. However, while South African learners spend years studying subjects that prepare them for examinations and future careers, practical financial literacy is not consistently taught as a compulsory life skill across all schools. Many young people complete their schooling without a sufficient understanding of budgeting, saving, interest rates, credit, taxation, investment and financial planning. Consequently, a young person may possess a matric certificate or university qualification but still struggle to manage their first salary, distinguish between needs and wants, or make informed decisions about borrowing money. This raises an important concern about the purpose of education: if we prepare young people for employment but fail to prepare them to manage their earnings, are we truly equipping them for economic independence?

Financial illiteracy has consequences that extend beyond individual households. Poor financial decisions can contribute to excessive debt, inadequate savings, financial vulnerability and the misuse of available resources. For young entrepreneurs, a lack of financial knowledge may result in poor cash-flow management, the failure of otherwise promising businesses, or the inability to distinguish between revenue and profit. Similarly, young people who receive bursaries, salaries or business funding may struggle to allocate those resources effectively if they have not developed essential budgeting skills. Although financial literacy alone cannot eliminate poverty or unemployment, it can help individuals make informed decisions, protect their income and use available opportunities more effectively. For this reason, financial education should be viewed as an investment in South Africa's long-term economic development rather than an optional addition to the education system.

One of the most concerning consequences of financial vulnerability among young people is the growing appeal of gambling as a perceived solution to financial hardship. In a society where unemployment, inequality and the rising cost of living place significant pressure on households, the promise of making quick money can be particularly attractive. Online betting platforms have

made gambling increasingly accessible, allowing individuals to place bets using their mobile phones. Some young people begin gambling for entertainment, while others see it as a possible escape from poverty. When financial knowledge is limited, however, the distinction between gambling and investing may become blurred. A young person may risk money intended for food, transport, education or household expenses in the hope of winning enough to change their circumstances. After losing money, they may continue gambling in an attempt to recover their losses, potentially creating a cycle of financial harm.

It is important to recognise that not every young person who gambles is financially irresponsible and that gambling-related harm is influenced by several social and economic factors. Nevertheless, the normalisation of gambling as a pathway to wealth deserves serious attention. **A generation searching for financial freedom should not be sold the illusion that financial freedom can be built on luck.** Sustainable wealth requires informed decision-making, planning, discipline and, where possible, productive economic opportunities. Financial literacy can help young people understand risk, recognise misleading promises and make more responsible decisions about their money. Therefore, the national budget should support financial education initiatives that address gambling risks alongside broader lessons on saving, borrowing, investing and personal financial management.

To address these challenges, I propose that practical financial literacy be progressively integrated into the South African school curriculum as a compulsory, age-appropriate life skill. The Departments of Basic Education and Higher Education and Training could collaborate with financial institutions, universities, TVET colleges and qualified educators to develop programmes that teach learners how to prepare budgets, understand payslips, calculate interest, manage credit and recognise financial scams. Such education should not be limited to theoretical lessons. Learners should participate in practical exercises that require them to manage a simulated monthly income, compare financial products, plan for emergencies and make informed spending decisions. By introducing these skills before young people enter the workforce, South Africa could help develop a generation that is better prepared to navigate its financial responsibilities.

Furthermore, the national budget should support youth financial empowerment and entrepreneurship programmes. Financial literacy must extend beyond teaching young people how to save; it should also equip them with the knowledge to create sustainable livelihoods and contribute to economic growth. Partnerships between government, universities, TVET colleges, banks and established businesses could provide young people with financial mentorship, entrepreneurship training and guidance on managing business finances. Aspiring entrepreneurs should learn how to prepare business plans, calculate costs, manage cash flow, understand tax obligations and reinvest profits. Unemployed young people should also have access to these opportunities, regardless of whether they can afford to attend university. Such initiatives would complement broader efforts to expand employment and entrepreneurship, helping young people

participate more effectively in the economy.

Another important consideration is the responsible management of public funds. A national budget is not merely a financial document; it represents the government's priorities and its responsibility to use taxpayers' money in the public interest. When citizens understand how taxes are collected, how public expenditure is allocated and how government programmes are evaluated, they are better positioned to demand accountability. Financial education can therefore contribute to a more informed society that understands both its personal financial responsibilities and its role in democratic oversight. At the same time, any government-funded financial literacy programme must be implemented transparently, with clear objectives, measurable outcomes and responsible expenditure. It would be contradictory to teach young people about responsible money management while failing to account properly for the public money allocated to their education.

Ultimately, sustainable economic development requires more than short-term interventions. It requires policies that expand economic opportunities, strengthen institutions and equip citizens with the knowledge to participate meaningfully in the economy. Financial literacy cannot, by itself, solve unemployment, poverty or inequality. However, when combined with quality education, job creation, entrepreneurship support and effective public financial management, it can strengthen the foundations of economic resilience. A financially informed young person may be better prepared to manage debt, build savings, evaluate investment opportunities and establish a sustainable business. A financially informed citizen may also be better equipped to question wasteful expenditure and demand that public resources deliver meaningful results. These benefits demonstrate why financial literacy deserves consideration as part of South Africa's broader economic development strategy.

In conclusion, the national budget should reflect not only the country's immediate needs but also the knowledge and capabilities required to secure its future. Investing in financial literacy is an investment in the ability of young South Africans to manage resources, avoid preventable financial harm, pursue entrepreneurship and contribute to sustainable economic growth. We must move beyond an education system that measures success primarily through academic qualifications and begin placing greater emphasis on the practical skills young people need to navigate everyday life. South Africa needs a generation that understands the value of money, recognises the risks of gambling, manages resources responsibly and knows how to turn economic opportunities into lasting progress. The objective should not simply be to give young people access to money, but to equip them with the knowledge and skills to use it wisely.

A nation that invests in the financial intelligence of its youth invests in the sustainability of its economy. If we want a future defined by economic participation rather than financial vulnerability, by responsible investment rather than desperate gambling, and by opportunity rather than exclusion, then financial literacy must become part of our national development

agenda. South Africa does not merely need a generation that knows how to earn money; it needs a generation that knows how to create wealth, preserve wealth and use wealth to build a more inclusive and prosperous society. That is an investment worthy of our national budget.