

Introduction to Online Financial Literacy

Useful tools and resources on online financial literacy & financial payment applications



What we will cover

- **Financial Literacy – Definitions**
- **Financial payment applications**
 - **What are the different types**
 - **How can they be used**
 - **How to evaluate what is right for you**
- **Resources**

Financial Literacy

The ability to understand and effectively use various financial skills, including personal financial management, budgeting, and investing.



Good financial literacy allows individuals to manage their money and make the best decisions for the future and achieve their financial goals.

Financial Literacy vs. Money Management

Financially literate individuals use financial knowledge to make better financial decisions.

From everyday spending to long-term financial planning, effective money management means using money to further your personal goals - no matter what they are.

Digital Literacy vs. Financial Literacy

- **Digital Literacy** is the understanding and navigation of digital platforms and analyzing their potential as a medium of communication.
- **Financial literacy** is the ability to understand different areas and concepts of finance like financial planning, budgeting, investment, savings and much more.

In today's digital world we need to have good digital literacy in order to navigate online financial resources effectively.

Digital Financial Inclusion

Digital access to and use of formal financial services by excluded and underserved populations.

7 Components of Financial Literacy

- Interest. Whether you're earning it or paying it, interest can have a profound impact on your finances. ...
- Budgeting. ...
- Debt Management. ...
- Credit. ...
- Identity Theft Protection. ...
- Savings. ...
- Financial Goals.

Benefits of Financial Literacy

Financial education can play a role in helping close wealth gaps in the U.S.

People tend to make much better financial decisions when they're armed with knowledge about how money works.

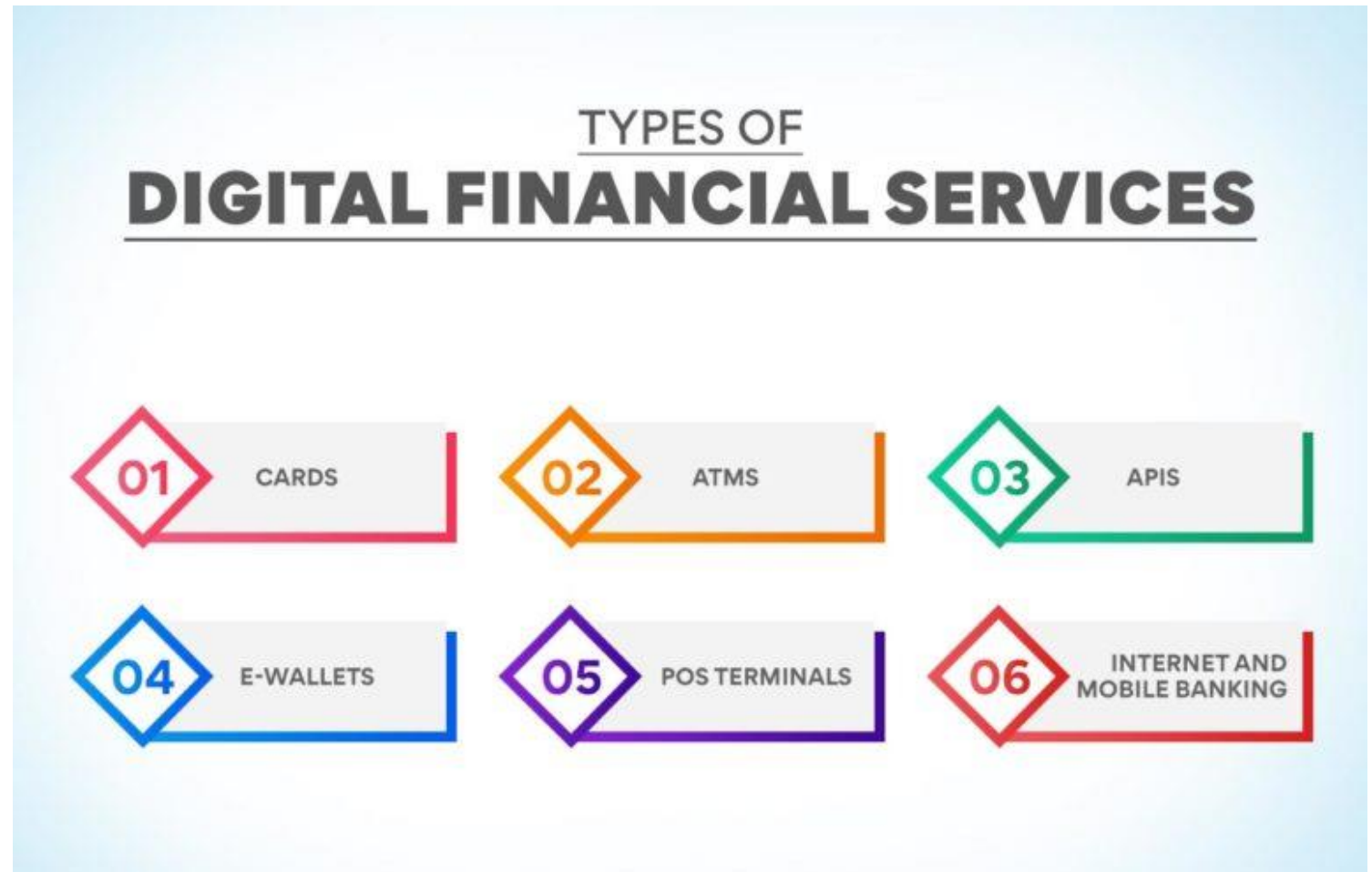
Importance of Digital Finance Tools

By eliminating geographical barriers and making financial services easily accessible and convenient, digital finance:

- **helps people save time and money**
- **avoid transport costs**
- **access better financial products with better prices and incentives, leading to more effective budgeting.**

Digital Financial Services

- 1.Cards
- 2.ATMS
- 3.APIS
- 4.E-Wallets
- 5.POS Terminals
- 6.Internet & Mobile Banking



Advantages of Digital Financial Services

1. Financial Inclusion
2. Easier Transactions
3. Transfer Funds Quickly
4. Shopping Made Easy



Internet and Mobile Banking

- 1. Informational Internet Banking** includes information on various products and services offered by banks.
- 2. Communicative Internet Banking** allows you to perform simple transactions like applying for loans, checking balances, etc.
- 3. Transactional Internet Banking** enables you to transfer funds and make payments.

Types of Mobile Banking

- 1. App based banking:** Application you download via an app store. You can perform many transactions you previously you could only do in person. Our focus for the rest of today.
- 2. SMS (Short Message Service/Text) based banking:** enables you to get SMS alerts about account balances, mini statements, etc.
- 3. USSD (Unstructured Supplementary Service Data) banking:** is a Global System for Mobile Communications ([GSM](#)) protocol that is used to send text messages. USSD is similar to Short Message Service (SMS).

Applications

- **Your financial institution's** – whether you bank at a local credit union or a larger National bank. Most banks have their own apps
Ex. include First Federal, Chase, Kitsap Credit Union, etc.
- **Payment apps embedded within your financial institution's app** – allow you to send money **bank to bank**. Ex. Zelle. Check with your financial institution to learn more.
- **Payment apps** – Will connect with your bank via routing/checking account numbers, debit and/or credit cards. Paypal, Venmo, Cash app, Facebook Pay, Apple Pay, Google Pay, Samsung Pay, etc.

Applications

While library staff can't provide specific recommendations, these review articles may help provide insight into which apps may be best for you for different services and on different devices:

<https://www.investopedia.com/best-money-transfer-apps-5180183>

<https://www.moneyunder30.com/banking/best/payment-apps/>

<https://www.pcmag.com/picks/the-best-mobile-payment-apps>

<https://www.cnet.com/personal-finance/best-payment-apps/>

<https://www.capitalone.com/learn-grow/money-management/money-transfer-services/>

Applications

Paypal

Zelle

Venmo

Cash App

Meta Pay (Facebook)

Google Pay

Apple Cash

Further Exploration

There are many great free financial literacy courses available online. You will find them linked on the next slide.

Lets explore this resource from AARP:





Resources

- [AARP Virtual Workshop: Mobile Banking Using Today's Technology](#)
- [Consumer Financial Protection Bureau: Financial Caregiver](#)
- [FDIC – Money Smart](#)
- [Khan Academy Financial Literacy Curriculum](#)
- [EdX Free online courses](#)
Has paid options for certifications
- [US News & World Reports Article](#)
12 Best Free Online Personal Finance Courses