

The Financial Literacy Needs Of People Living In Ireland: How To Ensure Financial Wellbeing Into Older Age

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Abstract : As populations around the globe continue to age rapidly in an era of increasing life expectancies, the financial wellbeing of older adults becomes crucial. This has led to an extensive discourse on financial literacy and its role in attaining financial wellbeing. In Ireland, the aging demographic presents both opportunities and challenges concerning financial literacy and wellbeing. In addition to increasing life expectancy, evolving pension systems make it imperative for older adults to manage their finances effectively to sustain their quality of life in later years. However, research and relevant financial reports indicate that financial literacy levels among older populations in Ireland lags behind other European countries. Against this backdrop, the current study seeks to identify the financial literacy needs of older adults required to attain wellbeing in older age. Financial wellbeing refers to the ability to confidently manage money and be in a position to meet current and future financial needs. In recent years, the importance of financial wellbeing has been recognized globally due to its significant impact on mental and physical health, relationships, and overall quality of life. In regards to such global recognition, the Sustainable Development Goals (SDGs) outline an ambitious agenda to achieve global prosperity by 2030 by meeting objectives such as eradicating extreme poverty (SDG 1) and ensuring good health and well-being (SDG3). To achieve financial wellbeing, the importance of financial literacy is underscored as a key factor. Research has shown that financial literacy and responsible financial behavior are positively associated with financial wellbeing in retirement and in older age. Older persons are more vulnerable to financial mistakes and fraud due to declining financial literacy, making it essential for them to possess a strong understanding of financial concepts. Studies highlight the benefits of financial literacy for older persons to include the ability to maintain financial resilience. Moreover, financial literacy contributes to the physical and mental well-being of older adults. Older persons however face challenges such as declining cognitive abilities and health factors like increased medical expenses, which can negatively impact their financial literacy levels and reduce financial resilience. To address these challenges, recommendations from extant studies encourage financial literacy programs tailored for older adults should consider their cognitive abilities and health factors. Efforts to increase financial literacy in Ireland was borne out of a need to fill an information gap in understanding financial literacy. In contrast to several Northern European nations, Ireland exhibits low levels of financial literacy. The National financial Literacy strategy in Ireland was launched late 2023 to help increase the financial literacy needs of Irish people. So far, the Department of Finance has conducted a stakeholder engagement process to gather insights on existing financial literacy initiatives in Ireland. Subsequently, based on the findings of this assessment and informed by international best practices, the Department will initiate the development of a national strategy for financial literacy. The main aim of this qualitative research is thus to find out what knowledge and skills people in Ireland need to ensure financial wellbeing into older age.

Keywords : financial literacy, financial wellbeing, Ireland, older persons

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