

Name \_\_\_\_\_

## Mastering Money: The Importance of Financial Literacy

### Short Answer Key

1. Budgeting in financial literacy means creating a plan for how you'll use your money. It's important because it helps you manage expenses, save for goals, and avoid overspending.
2. Financial literacy helps you avoid potential financial pitfalls by providing tools and knowledge to navigate issues like excessive debt or overspending, making informed decisions to protect your financial well-being.
3. One benefit of understanding the difference between needs and wants in financial literacy is that it helps you make choices that align with your budget and financial goals.
4. Investing in financial literacy involves understanding how investments like stocks and bonds work and how they can grow your money over time, contributing to your long-term financial future.
5. Financial literacy can empower you to achieve personal financial goals, such as saving for a dream vacation, by providing the knowledge and skills to make wise financial choices.

