



# PROFIT

## *Financial Literacy for Youth in Europe: Key Findings and Practical Solutions*

*Insights from the PROFIT Research Report*



Co-funded by  
the European Union

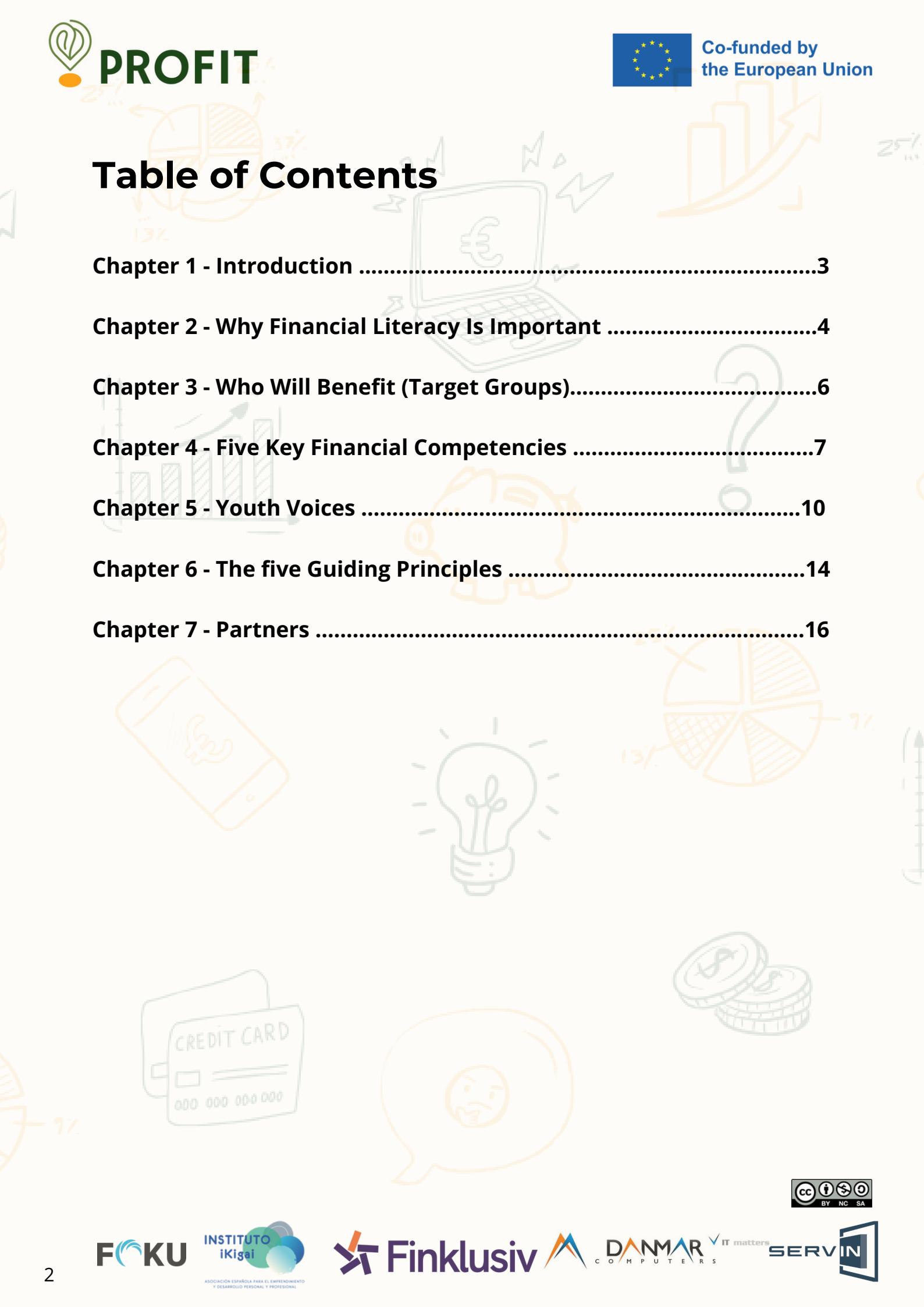


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# Chapter 1: Introduction

## Why Financial Literacy Matters for Young People

In today's fast-paced, digital, and global economy, young Europeans are expected to make important financial decisions from a very early age: managing income, handling expenses, dealing with credit, saving for the future, understanding taxation, and navigating digital finance. Yet, most young people receive **little to no practical financial education**, neither at school nor at home.

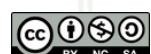
The **PROFIT project: Personal Reflection On Finance, Investment, Terminology**, funded by the European Union, was created to directly address this gap. Bringing together organizations from Denmark, Spain, Norway, Italy, and Poland, the project's mission is to **develop innovative, inclusive, and engaging tools that help young Europeans build essential financial life skills**.

This eBook presents the core findings of the research phase, where the PROFIT consortium conducted an in-depth analysis of financial education needs across Europe, and their validation from the international online event on the 28th of March 2025 involving diverse stakeholders.

In the following chapters, you will find:

- The **main financial challenges** faced by today's youth.
- The **core financial competencies** they need to develop.
- **Best practices and innovative solutions** identified by the project.
- The guiding principles behind the development of the **Gamified Digital Graphic Novel (GDGN)** an innovative educational tool.

Our aim is to offer a **practical, visual, and easy-to-read guide** that empowers young people, educators, and youth workers with knowledge and actionable insights on financial literacy in Europe.



# Chapter 2: Why Financial Literacy Is Important

## The urgent need for financial education among European youth

Financial literacy is no longer a privilege; it is a vital skill for personal and economic well-being.

Every day, young people are faced with real-life financial decisions that will directly shape their future well-being:

- *How can I start saving with a small income?*
- *How can I face unexpected expenses?*
- *How do I protect myself from online scams?*
- *How much tax will I pay on my first job?*

Unfortunately, **financial education is still missing or insufficient across most European school systems**. In many countries, **personal finance is not part of the formal curriculum**, leaving young people to **learn through trial and error, informal sources, or social media**, often receiving incomplete or inaccurate information.

## Key facts from the PROFIT research:

- **92% of participants** in the international survey believe that financial education in their country is insufficient.
- Most young people rely on **parents or social media** for financial advice.
- Schools often focus on **general economics** but do not teach practical personal finance.
- Youth from **disadvantaged or migrant backgrounds** face even greater obstacles in accessing trustworthy financial information.
- **Digitalization brings both opportunities and risks** from online banking to exposure to scams and misleading financial content.



## The consequences of limited financial literacy:

- Higher risk of **debt and financial insecurity**.
- Difficulty managing **income, expenses, and savings**.
- **Poor credit management** and limited access to financial services.
- **Anxiety, stress, and lack of confidence** in handling personal finances.

## What PROFIT Aims to Achieve

The PROFIT project aims to **empower young people with the financial knowledge, tools, and confidence to navigate an increasingly complex economic world**.

Through innovative approaches such as **gamification, co-creation, and digital learning tools**, we can make financial literacy education not only accessible but **engaging, practical, and transformative**.



# Chapter 3: Who Will Benefit From Financial Literacy

## PROFIT's target groups

The PROFIT project was designed to reach and support a **wide range of young people and the communities around them**.

Financial literacy impacts **many different aspects of life**, so various groups can benefit from the tools developed:

### 1. Young People (15-30 years old):

- Students in secondary or higher education.
- Young professionals entering the job market.
- Youth making their first independent financial decisions.

### 2. Migrants and Refugees:

- Young people with additional barriers to financial integration.
- Support for navigating financial systems in new countries.

### 3. Educators and Trainers:

- Teachers, trainers, and youth workers who can integrate PROFIT's tools into lessons and workshops.

### 4. Parents and Families:

- Adults supporting youth in learning financial skills at home.

### 5. Policy Makers and Institutions:

- Authorities and organizations interested in improving financial education systems and policies.



# Chapter 4: The five Key Financial Competencies

Financial literacy covers much more than just knowing how to save or avoid debt.

Through the PROFIT research, **five key areas** were identified where young people need specific knowledge, skills, and tools to successfully manage their personal finances.

## 1. Budgeting and Spending

### The challenge:

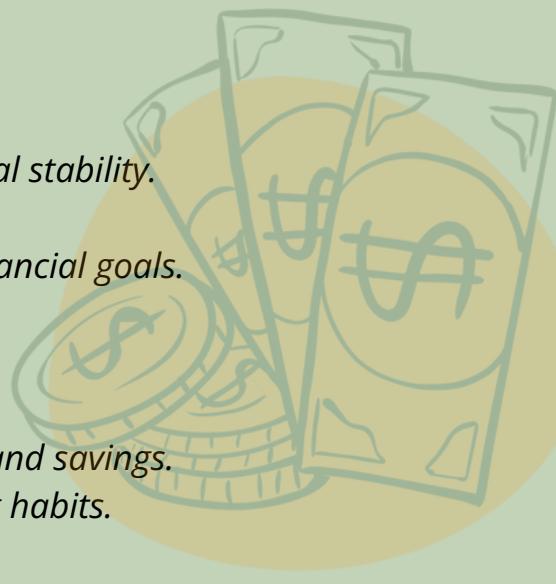
- Many young people struggle to differentiate between needs and wants.
- Impulse spending and social pressures often lead to poor budgeting.
- Lack of tracking actual monthly expenses.

### Why it matters:

- Building a personal budget creates financial stability.
- Healthy money habits start early.
- Spending awareness is key to achieving financial goals.

### Practical solutions:

- Use budgeting apps to track expenses.
- Categorize expenses: essentials, optional, and savings.
- Review expenses weekly to adjust spending habits.





## 2. Managing Debt and Credit

### The challenge:

- Limited understanding of consumer credit, loans and interest rates.
- High risk of credit card debt and bad borrowing decisions.
- Lack of preparation for managing student loans.

### Why it matters:

- Credit decisions made early affect long-term financial health.
- Poor debt management can limit access to housing, employment and financial services.

### Practical solutions:

- Use credit cards responsibly - avoid carrying balances.
- Understand loan agreements before signing.

## 3. Saving and Goal Setting

### The challenge:

- Many young people live paycheck to paycheck without thinking about the future.
- They struggle to set financial goals or believe that small savings don't matter.

### Why it matters:

- Saving is the most powerful tool to achieve dreams, handle emergencies, and gain financial independence.
- Clear goals motivate saving habits.

### Practical solutions:

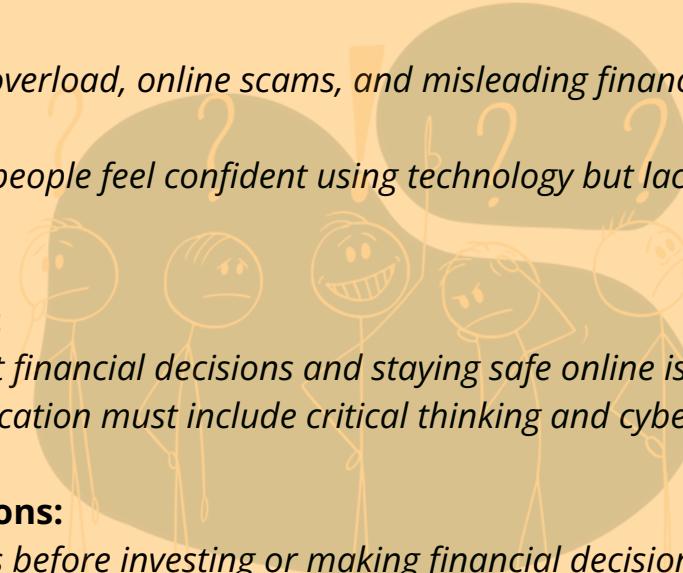
- Set SMART goals (Specific, Measurable, Achievable, Relevant, Time-bound).
- Automate monthly savings, even with small amounts.
- Build an emergency fund covering 3-6 months of expenses.



## 4. Financial Decision-Making and Digital Financial Literacy

### The challenge:

- *Information overload, online scams, and misleading financial advice on social media.*
- *Many young people feel confident using technology but lack digital risk awareness.*



### Why it matters:

- *Making smart financial decisions and staying safe online is essential.*
- *Financial education must include critical thinking and cybersecurity skills.*

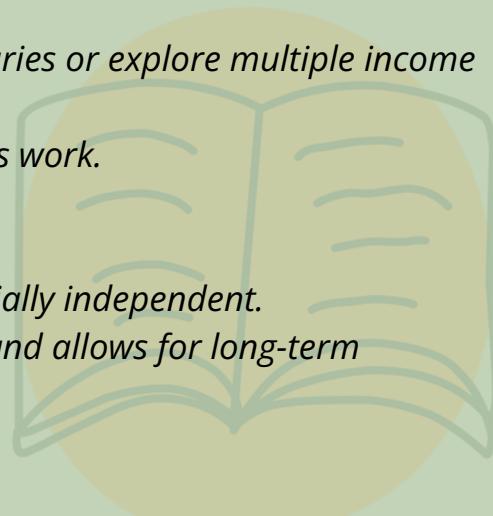
### Practical solutions:

- *Verify sources before investing or making financial decisions.*
- *Use two-factor authentication for online financial services.*
- *Stay informed about common scams and how to recognize them.*

## 5. Earning Money

### The challenge:

- *Many young people lack skills to negotiate salaries or explore multiple income streams.*
- *Most young people don't understand how taxes work.*



### Why it matters:

- *Understanding taxation is part of being financially independent.*
- *Diversifying income sources provides security and allows for long-term financial growth.*

### Practical solutions:

- *Develop in-demand professional skills (languages, coding, digital skills).*
- *Explore side hustles: entrepreneurship, freelancing, small businesses, selling services.*
- *Learn to negotiate salaries or freelance rates from the start.*



# Chapter 5. Youth Voices: What Young People Are Saying

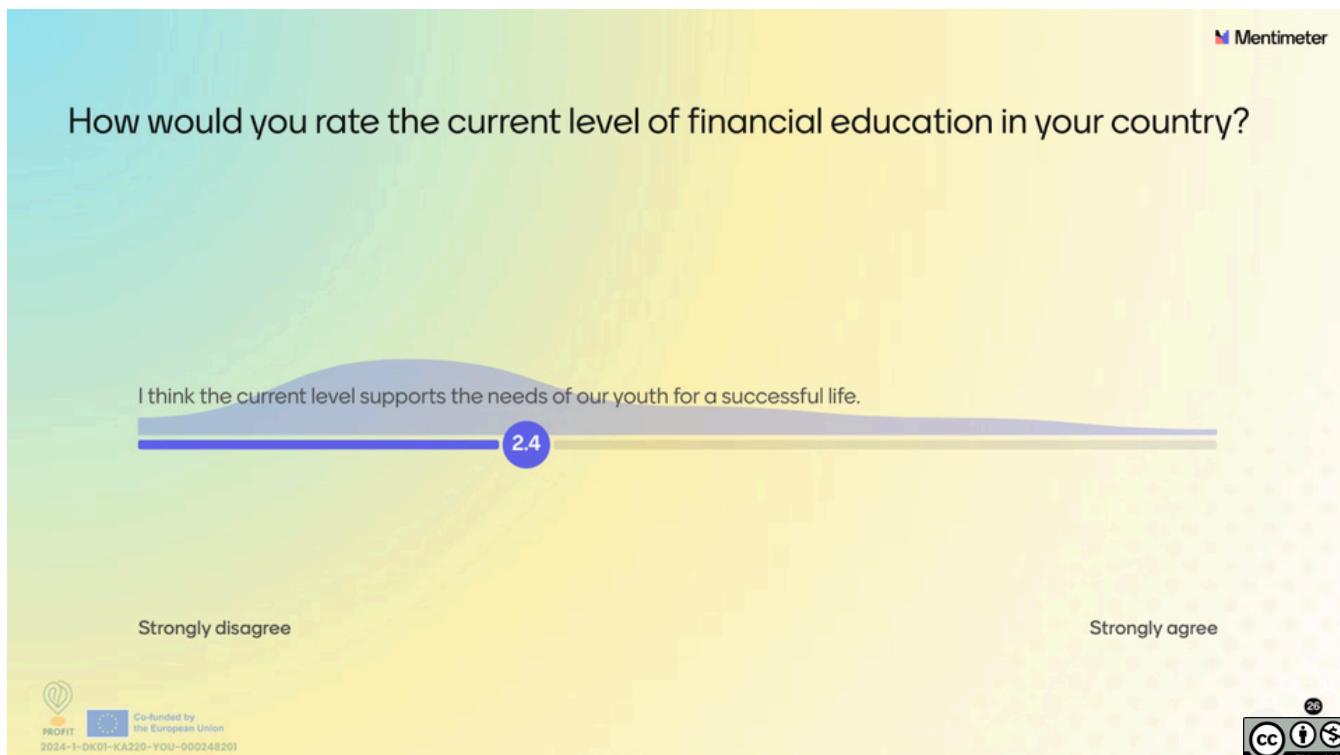
The PROFIT research included direct feedback from young people and other stakeholders across Europe. The live survey was carried out during the international online event of March 28<sup>th</sup> 2025 and it gathered 27 participants among the target group, including four financial experts.

Their voices offer powerful insights into the real challenges, gaps and needs youth experience when it comes to financial education.

## A Widespread Lack of Financial Education

*"Financial education is not part of public education. Even when studying business or finance, it doesn't give you practical tools for personal money management."*

- 92% of participants agreed that financial education in their country is insufficient.
- Even economics classes often fail to cover personal financial skills.
- Many young people enter adulthood without basic knowledge of budgeting, credit, investing, or taxes.





# Relying on Informal and Unreliable Sources

*Young people often get financial information from social media where there's a lot of false or superficial advice.*

*The financial knowledge we get depends mainly on our parents. School education is not enough.*

- Parents often become the primary (and sometimes only) financial educators.
- Social media platforms provide fragmented, sometimes inaccurate financial advice.
- Young people feel unprepared to filter trustworthy financial information.

Mentimeter

Do you think young people receive enough financial education? Why or why not?

No, i think that young people don't have the knowledge because in school and out of school training focuses on other things

They do not because the education normally speaks about general economy, not personal economy.

No, because young people often get financial information from social media, where there's a lot of false or superficial advice.

No, young people do not receive enough financial education because financial education is not a priority in school curriculums

What knowledge get young people in our country receive depends mainly on their parents, school education is not enough, in my opinion

Financial education does not consist personal economy as a topic itselfs.

Young people normally live on loans for studying and they have a small budget. In order to thrive and be social they might need more money and have a spare time job beside of education.

Financial education in the primary school, secondary school or even the high school do not serve this topics well enough. When they start at an higher education, they will face big problems.



# Digital Risks and Anxiety About the Future

- Online scams and phishing attacks target young digital users.
- Cryptocurrency and “easy money” schemes are popular but risky.
- Many feel anxious about their future financial stability compared to previous generations.



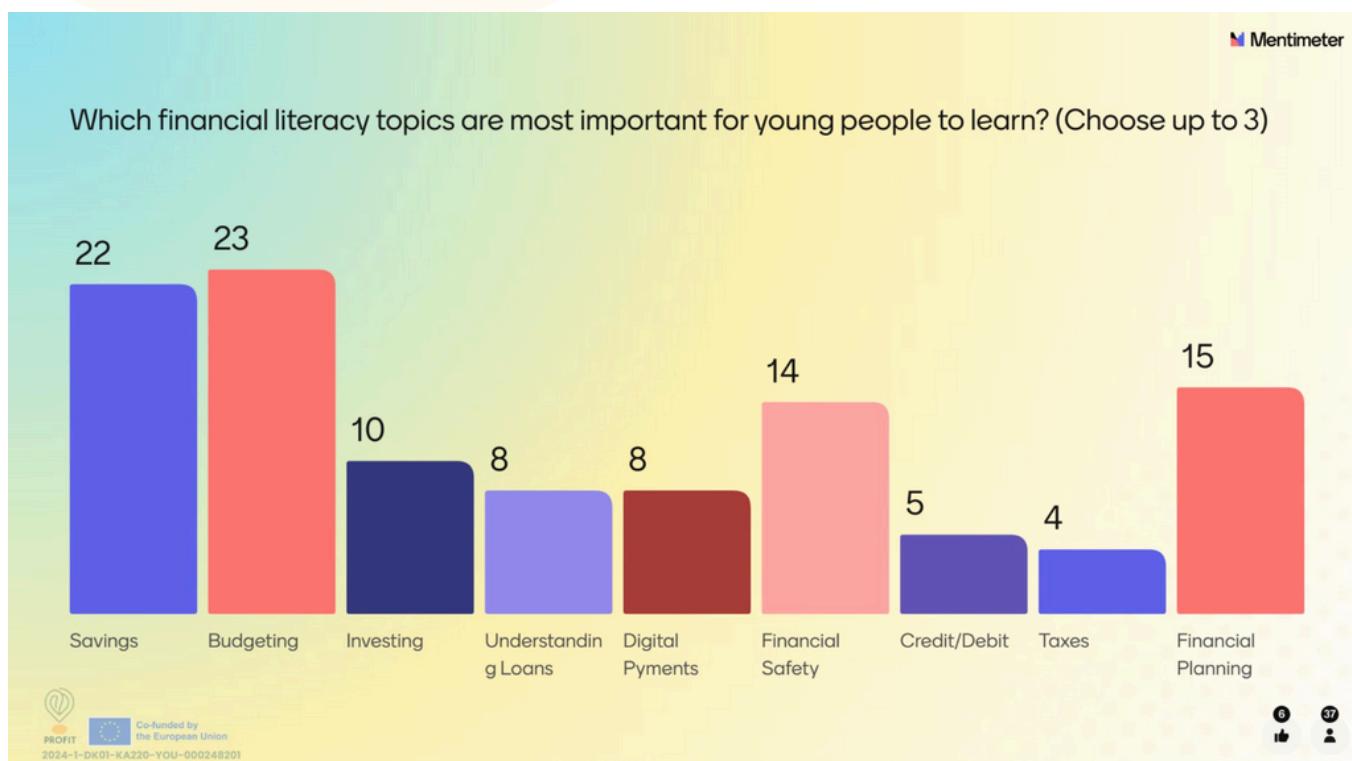
## What They Want to Learn

When asked which financial topics they most urgently need:

- Budgeting and saving
- Credit, debt, and responsible borrowing
- Investing basics and risk management
- Understanding taxes
- Digital payments and online safety

*"They don't know how to plan their budget (e.g. monthly budget) and they just simply don't know how to save"*

*"We don't know how to save it, invest it. When we have our first job and have to pay the taxes, don't know how to do it and how to manage with declarations".*



## Preferred Learning Methods

- Strong support for interactive, online, gamified learning tools.



- Real-life scenarios are more effective than abstract theory.
- Collaborative learning makes financial education more relatable and fun.



**Overall, young Europeans are eager to learn but they need practical, accessible, and realistic financial education that speaks directly to their everyday experiences and challenges.**



# Chapter 6: The 5 Guiding Principles Behind PROFIT's Learning Tools

The PROFIT project doesn't only focus on what young people need to learn, but also how they learn best. Based on research, feedback, and expert input, the project is guided by five core principles to ensure its learning tools, including the Gamified Digital Graphic Novel (GDGN), are effective, inclusive, and empowering.

## 1. Co-Creation

*Learning tools should not be designed for young people, but with them.*

- Young people actively participate in developing the learning content.
- Their real experiences shape the scenarios, challenges, and stories.
- Co-creation increases relevance, engagement, and ownership of learning.

## 2. Realism in Gamification

*Gamification must reflect real-life financial situations.*

- Games and activities include authentic scenarios: budgeting on a limited income, facing unexpected expenses, dealing with student loans, or resisting peer pressure.
- Decisions in the game have real consequences, helping players reflect on good and bad financial choices.



### 3. Inclusion and Diversity

*Financial literacy must reach everyone, regardless of background.*

- The GDGN features diverse characters and situations that reflect Europe's multicultural youth.
- Special attention is given to:
  - Gender equality.
  - Migrant and refugee experiences.
  - Socio-economic diversity.
  - Varying levels of financial knowledge and digital skills.
- Inclusive content ensures no one is left behind.

### 4. Teacher Empowerment

*To teach financial literacy effectively, teachers also need support.*

- It is fundamental to help integrate financial education into classrooms and youth programs.

### 5. Flexibility and Continuous Improvement

*Financial education must evolve as the world changes.*

- The GDGN will be tested, adapted and updated based on user feedback.
- The Community of Practice (CoP) provides an ongoing space for dialogue, collaboration, and improvement.



# Chapter 7: Consortium Partners

The PROFIT project brings together a diverse consortium of organizations across Europe, combining expertise in financial literacy, youth work, digital learning, entrepreneurship, and social inclusion. These partners collaborate to make the PROFIT project a reality:

## Finklusiv (Denmark) Lead Partner

Promotes financial inclusion for migrants and underbanked entrepreneurs, helping them access banking services and develop financial skills.



**Finklusiv**



## Servizi e Investimenti Innovativi (Italy)

Specialized in business consulting, circular economy, and social innovation, integrating financial education with sustainable development approaches.

## Instituto Ikigai (Spain)

Focuses on empowering young people, migrants, and disadvantaged groups through creativity, innovation, and cross-border learning opportunities.



ASOCIACIÓN ESPAÑOLA PARA EL EMPRENDIMIENTO  
Y DESARROLLO PERSONAL Y PROFESIONAL



## Danmar Computers (Poland)

Develops ICT solutions, e-learning platforms, and digital training tools for vocational education and professional development, with special attention to youth and NEET groups.

## FOKU AS (Norway)

Provides lifelong learning, career counseling, and tailored educational programs for adults and young people entering the workforce.



