



Research on the Current Situation and Cultivation Path of Financial Literacy of College Students in the New Era

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Abstract. China has a relatively late start in the cultivation of financial literacy. Currently, the policy framework of financial literacy education at the college stage has basically taken shape, and the research and practice of financial literacy education are also vigorously carried out. However, there remain some problems such as low attention, weak systematism and uneven quality. College students in the new era have become the main force in the construction of socialism with Chinese characteristics, which puts forward specific new requirements for their financial literacy education. This paper analyzes the connotation of financial literacy in the new era and the importance of cultivating the financial literacy of college students, analyzes and summarizes the problems existing in the cultivation of financial literacy of college students, and puts forward the cultivation path of financial literacy of college students in the new era.

Keywords: College students · Financial literacy · Cultivation path

1 Introduction

At the 19th National Congress of the Communist Party of China, General Secretary Xi Jinping pointed out that “after years of hard work, socialism with Chinese characteristics has entered a new era, marking a new historical juncture in China’s development.” College students in the new era are the main force in the construction of socialism with Chinese characteristics, which puts forward specific new requirements for college financial literacy education. However, the education of financial literacy in Chinese colleges is in the initial stage, the courses are not systematic and targeted enough, and the teaching content and methods of cultivating students’ sound financial consciousness and behavior mode need to be innovated. To this end, this paper will further discuss the status of college students’ financial literacy in the new era and cultivation path.

2 The Connotation of Financial Literacy in the New Era

According to the United Nations Organization for Economic Co-operation and Development (OECD), financial literacy is “knowledge and understanding of financial concepts

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and risks, and the skills, motivation and confidence to apply the knowledge and understanding, so as to make effective decisions in a broad financial context, enhance personal and socio-economic interests, as well as be able to participate in economic life" [1]. Chinese academia believes that financial literacy is the comprehensive quality to deal with financial problems in individual economic life, including basic financial knowledge, financial thinking mode, reasonable financial skills, as well as ethical concepts and attitudes of wealth creation and wealth management. Therefore, the inherent self-cultivation characteristics of college students in finance in the new era not only embody the ability to deal with economic information, reasonable financial planning, wealth accumulation, use of funds and other financial decisions, but also reflect the sound concept of scientific and technological knowledge and information. With the wealth concept as the core, it is composed of wealth concept, financial consciousness, financial knowledge and financial management ability, forming a comprehensive value system between individuals, families and society.

3 The Importance of Cultivating Financial Literacy of College Students

According to the Survey Report on Financial Business Cognition and Behavior of Chinese Youth, 62.2% of students do not understand the relationship between risk and return, believing that there are "financial products with high-interest rate and low risk" in the world. As key members of the future society, college students should be assisted to form a correct view of financial management and wealth and improve their financial literacy, which not only lays a significant foundation for their well-being, but also contributes to the accumulation of wealth and the stable development of the whole society [2]. Therefore, many colleges in China have been cultivating the students' financial literacy by carrying out public classes, extracurricular activities, social practice and other forms, which can indirectly affect China's economic development level.

4 Problems in Cultivating Financial Literacy of College Students

4.1 Low Attention to Financial Literacy Education by Colleges

In January 2018, China Financial Literacy Education Standard Framework was developed and released by China Collaborative Innovation Center for Financial Literacy Education. It is the first systematic and relatively complete standard framework for financial literacy education standard framework with relatively complete study stages in China. However, colleges are currently still in the wait-and-see stage, only a few of which incorporate financial literacy education into their daily teaching systems. Not widely offered as a general course, financial literacy education is only a safety education project for freshmen. Therefore, a complete financial literacy cultivation system has not been formed, and the teaching effect does not meet the corresponding standard. According to relevant survey data, nearly 70% of college students in China have a strong need to acquire financial knowledge, not knowing how to learn and where to begin. Therefore, college students are interested in financial literacy cultivation, to which colleges do not pay high attention and fail to meet their needs.

4.2 College Students' Lack of Necessary Financial Knowledge and Consciousness

While internationalization, globalization and digitalization drive the rapid development of our economic life in the era of Internet + finance, they also bring a series of financial risks. In the new era, college students are not clear about many commonsense problems when learning national macroeconomic policies, financial and economic crises, ways and methods of personal finance, as well as basic knowledge of securities. Besides, students lack the ability to distinguish various financial products on the Internet, and there are great risks in investment and finance. All these require students to improve their prevention awareness [3]. However, these problems are closely related to the acquiring of professional knowledge such as finance, economics and law. Only on the basis of certain financial knowledge can an individual realize the increase of wealth return in investment and financial management. Basically, it can be seen that the students lack a good grasp of financial knowledge.

4.3 Certain Financial Misunderstandings of College Students

According to the survey, more than 60% of college students are willing to increase their wealth through financial management, and only less than 1% of students oppose financial management in college. However, behind the strong motivation for financial management is the lack of understanding of financial products and financial risks. More than 70% of college students wish to benefit from financial management, but they lack relevant skills and knowledge, and only 2% of them oppose financial management in college life. 30% of college students wish to gain 10%-20% in financial products, and 5% expect to gain more than 20% in financial products, which is completely inconsistent with the market development law. It also fully indicates that college students lack financial knowledge and experience, have inaccurate market cognition, and cannot meet the standards of financial literacy, which seriously affect the identification ability of college students in financial management.

5 Paths to Cultivate Financial Literacy of College Students in the New Era

5.1 Improve the Financial Knowledge of College Students Through the First and Second Classes

Colleges should carefully sort out, organize and refine, so as to form the key standards of financial literacy education. By setting compulsory courses for students majoring in finance and economics and optional courses for non-financial and economic students, they can systematically acquire financial and legal knowledge such as economics, accounting, insurance, finance and economic policies, and a financial literacy education system can be built [4]. Under the guidance of teachers and experts in the first class, college students can interpret economic news, analyze the economic situation and national macro policies, master correct financial knowledge, understand the relationship between returns and risks, master the law of the market, and enhance the consciousness of financial risk prevention. Through the second off-campus classes, students can establish

business clubs, be guided to start businesses, or design financial case courses, business planning courses, market research, public service and other activities, in which college students can be guided to conduct simulated financial management and operations, and have improved financial literacy and skills.

5.2 Cultivate a Sound Value System

The basic goal of financial literacy education is to cultivate a correct view of labor, a reasonable view of money, and a just view of the wealth of college students, and encourage college students to obtain income and create wealth through honest labor and management. College students should understand the proper meaning of money for life, deal with the relationship between profit and justice, and avoid money worship. However, they also need not despise the role of money. Colleges should guide their students to master other wealth besides money, such as friendship, responsibility and happiness; see the social responsibility behind acquiring wealth and give back to society appropriately. In the process of accumulating and creating wealth, college students should have a just view of wealth, knowing that wealth creation is not only the reflection of individual ability and efforts, but also the result of social support, and understanding the social responsibility of wealth creation.

5.3 Raise Consciousness of Risk Prevention and Develop Sound Consumption Habits

To integrate financial risk prevention into classroom teaching, it is particularly necessary to strengthen education on the costs and risks of various “online loans” and “nude loans”. Students should form rational consumer psychologies, identify the principle that “high yields must be accompanied by high risks”, improve their knowledge structure and economic development situation, and correctly distinguish all kinds of false propaganda and various financial traps [5]. College students can be guided to manage their own life, not being extremely thrifty nor being extravagant, which tends to achieve moderate spending. As for disposable money, finance and economics classes can guide college students to spend it in a planned way, keep accounts and save money, laying a foundation for financial management. Under the guidance of experts, college students can choose insurance, fund, bond, stock and other investment methods for personal financial investment, so as to gain some perceptual understanding of the relationship between investment and returns.

6 Conclusions

The cultivation research of financial literacy of college students in the new era is in the initial stage. Colleges should make full use of the first and second classes to improve college students’ financial knowledge, encourage them to acquire financial knowledge from extracurricular activities, improve their consciousness of risk prevention, and advocate forming a correct view of the wealth of the students. College education is crucial

to the improvement of the financial literacy of college students. To carry out the cultivation of financial literacy, cooperation between families and society is necessary to build a complete financial literacy cultivation system, identify the goals and responsibilities of financial literacy cultivation of college students, standardize their financial literacy behaviors, and effectively resolve wealth risks and challenges.

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