FINANCIAL EDUCATION IN HIGH SCHOOL, PRIMORDIAL FACT FOR BUSINESSMAN

Claudia Liliana Serrano, Sergio Raúl Quintero Rodríguez, Raúl Ignacio Maldonado
Corporación Universitaria Minuto de Dios (COLOMBIA)

Abstract

In Colombia, when a school or high school do the syllabus design, some transversal subjects are included in the final document presented by the educational institution. However, the education authority, appointed by the central government to offer quality standards in public education, always proposes these transversal subjects.

Despite this normative, factors as financial education and entrepreneurship are not included in pensum from institutions of secondary education in Colombia, not for the nonexistence of a law about it, but for the lack of a politic that join the law for the inclusion of this factors in the institutional syllabus.

This paper is the result of the research based on different topics of financial education, where the principal objective is to offer an initiative to the productive ma rket, of growing in knowledge of aspect of financial things, and reduce the risks when decisions of this matter are taken. In addition, in this studio find how the financial education, may be an essential way to decrease the risk when a graduated of high school starts a new project of business entrepreneurship.

As a qualitative approach, this research uses a descriptive type of methodology, using poll and interview, to businessperson of Small and Medium Enterprises (SMEs), a group that, in Colombia, has made the decision to start a new business. Not because they found an opportunity in a special market, but because, in most of the cases, they need to support their families, so they start new companies, hoping that in this way they will find economic solvency.

This kind of business starts because in some social groups the state is not able to offer enough coverage of opportunities, so the best way for the people to find this inexistence ways of social development, is starting business, without knowledge about how must act a director of a company.

With the data from students and businessman, a proposal of a politic will be made, in which will be included the most important aspect for the businessman identify as the elements that a high school graduated needs to start an idea of entrepreneurship.

Keywords: Entrepreneurship, state, development, business, financial education.

1 INTRODUCTION

When graduates from high school in Colombia starts to search what to do with their life as soon as they finishes their studies, this social group, depending of their parents incomings, and opportunities from state and private sector, has very different options to start new life. The first option is to start a professional, technical or technological career; some of them do it in private universities, depending of the cost of every sector. According to the report of the National Ministry of Education [1], 52,8% of the young people who graduates from high school start their superior studies. The remaining of the percentage (47,2%), start their own companies or get jobs of minimal payment because their low formation, so they work in operational jobs.

The group of people who starts their own companies, needs knowledge in different areas and how to handle it. The most important factor is to handle the resources of the companies, and do an excellent process ok taking decisions in order to find the best financial results of all the operation of the company.

The report of financial stability, [2] of the central bank of Colombia for 2017, in the section of business performance, despite having a slowdown in economic growth, there are factors that that generate confidence in front of the stability of the economy. Which continues in growth, being the agricultural sector the one of greater growth, and those of smaller expansion are the mining and exploitiation of the industry.
These are the result of a decrease in the nation's income due to low oil prices and a decline in the industry, although in the agricultural sector there is evidence of an improvement in their production, because of the Government's policy of land replacement. In addition, boost of the agricultural sector the decisions of the bank against interest rates directly influence the financial opportunities that the productive sector has compared to the acquisition of financial products in the banking sector. Faced with the outlook in the sector, a decrease in interest rates is considered relevant, to encourage the use of financial products both in households and in the productive sector (industry, large and medium-sized enterprises).

The macroeconomic status is one of the variables that an entrepreneur. Regardless of the size of the company of which he is in charge, must consider when making the decision to financing his company. It is for this reason, is that have to avoid making wrong decisions, must have a basic understanding of the behavior of interest rates, and how this can affect the cash flow and different consequences of taking products from the banking sector that affect the business performance.

The companies that use microcredit as a form of financing present problems of over-indebtedness, falling behind in payments and affecting the portfolio of the entities that provide this service, so that the economic perspectives perceived are not the best, as presented in the Current Situation Report. Microcredit in Colombia published by the Bank of the Republic. To advance in the improvement of the use of financial products offered by the banking sector, ASOBANCARIA created the “Saber + ser Más” program, in which each of the banking institutions proposes a financial education program for its clients, and in which instill saving habits and responsible management of personal resources. This initiative helps the formation of individuals facing the management of business and personal finances in the future, however, at this time does not include the current entrepreneur, who also has the need to learn to use the banking system to optimize their resources and their managerial decisions.

The education programs for micro entrepreneurs of the Chamber of Commerce of Bogotá include in their short courses packages of training for micro entrepreneurs in the accounting and financial area. Although access to these educational programs are limited to entrepreneurs affiliated to the Chamber of Commerce and have a cost that is not affordable for all those interested in taking them, mainly because of the economic value they have.

According to the Chamber of Commerce of Bogotá in figures for 2015 [3], 2.4% of the companies in the city are located in Antonio Nariño, equivalent to 4,897, of which (74%) is located in the service sector, distributed among as follows: commerce (45%), hotels and restaurants (9%), real estate and rental services (7%), transport, storage and communications (5%) and other community services (5%); the remaining (23%) is in the industrial sector. It is estimated that of the total number of companies (4,897), 4,527 are microenterprises, which represents 92% of the locality and 2.4% of Bogotá. 79% of the companies in the Antonio Nariño locality are natural persons, and 21% of legal entities.

It is important to clarify that the Chamber of Commerce complies with a task for business organization and statistical data compared to the official companies in it, however the data of those that are not registered with this entity will hardly be registered, since some they are within informality or they are attractive to be affiliated in the Chamber of Commerce.

From the initiative of the central government to enter the OECD, identified the need to strengthen financial education processes thanks to this need to teach the systematic behavior of money, financial education is born, which according to the Organization for Cooperation and Economic Development (OECD) defines this as: “A means by any individual who maneuver money, improve their knowledge of financial products. In this same way, thanks to the information through education and the respective counseling, each individual involved in the subject is given the guidelines and awareness of the risks and financial opportunities; additional, the possibility of making coherent decisions regarding money.” [4].

2 METHODOLOGY

With the development of this research, we intend to analyze if the entrepreneurs of the micro and small businesses in the Antonio Nariño area of Bogotá are applying microfinance and financial education strategies that result in the improvement of their growth and competitiveness. Therefore, a significant sample of the micro and small companies of the locality will be take, taking as reference the existing information in the minor mayor's office of the sector and data from the Chamber of Commerce of Bogotá.
The present investigation is of quantitative type, using descriptive studies, since as Sampieri [5] this type of studies seek to specify the important properties of the companies or groups, to measure or evaluate phenomena to investigate.

For the development of the research project, the following phases will be carry out:

- **Phase 1.** Documentary research: A state of the art on financial education and microfinance at the national level and some international referents will be carry out, reviewing, classifying and analyzing the specific information about the research topic, describing the strategies used by the entrepreneurs of this micro and small businesses, in the efficient management and administration of economic resources.

- **Phase 2.** Field Work: measurement factors going to be built and established, on the difficulties experienced by SMEs in the efficient management of their resources. In addition, the endogenous and exogenous variables that directly influence the entrepreneur at the level of financial education. These factors will help us to relate the variables that affect the competitive improvement of this group of companies, as opposed to the needs presented by the sector, evidencing the efficiency or not of the policies of support to micro and small enterprises by the State.

- **Phase 3.** Analysis of results: Development of an information collection instrument, which will be applied to a group of SMEs of the Antonio Nariño locality of the city of Bogotá. From different economic sectors, by means of the stratified sampling method, which will allow to relate the variables or measurement criteria established in the study to answer our research problem and obtain conclusions about the impact of financial education and the administration of the economic resources of these companies.

- **Phase 4 Publication of results:** Through the process of triangulation of the information obtained in the previous phases, the design of the financial education program will be carried out, which will allow the micro entrepreneurs of the town of Antonio Nariño and other localities of the country, taking into consideration the needs and economic resources of micro entrepreneurs.

### 3 RESULTS

According to the pool applied and the interview with group of entrepreneurship, from the little town of Antonio Nariño, there are important results that helps to this research to enforce a politic of financial education.

In the system of national education in Colombia exist a legislation for the teaching of financial education, in spite of this, in basic and high school; there is no teaching about this important area. It is necessary that from the secretary of education from every local government, a design of a politic that obligate to every institution to teach this field for all the students. It will help not only to people who will start their own companies, but also to every person to handle with the financial system, and how to take a debt or use any of the products from this system.

In the interview with different CEO’s from different companies, there was a meeting point when they said that people who decide to start a new enterprise, should be always able to learn about new different topics, how to take decision, how all the governmental politics affects the road of the company, how to drive personal, and some others things.

90% of the population taken for this research, where familiar enterprises.

With the needs found on this groups, a program of financial education where designed and applied with the CEO’s of this companies, they found that their principal failure it’s based on ignorance of macro-economic process affects their actions, and that the interest rate that they choose for a credit will affect their resources.

A process of tracing will be done in three months, in order to verify if that the short course of basic financial was successful.

### 4 CONCLUSIONS

Financial education is a matter not only for people who has their own company, it is a factor for everybody, there is a lot of products in the market that people doesn’t know to use, from a credit card, to loan in long term.
In a short time (2 months), a design of a pilot program will be applied in two state high school. In this program, the students will learn about the options that they have to be included in the financial market, and how to use those products in the best way to get approach of it.

The teachers of every school should take training in financial facts, in that way they can teach easily this aspect to their students.

Not all the students decide to start a professional career, and the educational system is designed only for those students, it is necessary to add this factor for the future syllabus design, because not all the students think in the same way.

Financial education should be a program from the central government thinking in away of development of the country, if the population knows how to use money, will take better decisions that will mean more jobs and growing for the country.

REFERENCES