

Suffering from financial malaise

The lack of financial culture in Spain is a drama. A drama worthy of Netflix. And it is neither casual nor is it (only) our fault this lack of financial culture makes us suffer from financial discomfort.

I have asked among my closest circles if they have heard of *bitcoin*. You can imagine the answer.

Of course! How not to hear about the queen of digital currencies! Also, of *Ethereum* or *dogecoin*, miners, energy consumed... we almost have a PhD in the field. Bitcoin *has* been making headlines on a daily basis for a long time. But what if you ask about index funds? Or ETFs? The vast majority have not heard of them. Not a word. Never. Well, I have to confess that I discovered them relatively recently, considering that my profession has always been linked to the world of financial management. I say no more. I also suffer from financial distress.

And why? Why don't we know more and better? Because it doesn't matter. And why bitcoin if we know? Because in addition to being very "*cool*," it is interesting to attract investors to cryptocurrencies, even if it is a complex product with impossible volatility, which rises and falls at the stroke of Elon Musk's statement. And who talks about *bitcoin*, talks about stamps, or *subprime* mortgages.

We are not the only ones. The drama becomes globalized if we look to the right or left, up or down—another pandemic. If 60% of the Spanish population does not know the concept of compound interest, in the United States or in the United Arab Emirates, almost half of the population over 50 lacks retirement savings. I could go on with more data.

Finland recently launched a free financial education program because its citizens are phenomenally indebted, and this is not good for them as a country. And we are talking about one of the best education systems in the world.

In Spain, a financial education program was launched by the Bank of Spain with the CNMV in 2008, but does this type of education reach people on the street?

The reality is that we have not been educated to be aware that there is financial health to take care of. We have not been allowed to assimilate that money is a great ally, a powerful financial asset that we can put to work with some training. And not managing our money can take us to the opposite extreme, and it is the money that governs us, turned into an ungovernable indebtedness and unbearable stress.

So if it is not our fault not to have sufficient financial education, governments, and banks, once again, are playing it to us, and out of disinterest or interest, we continue with the blindfold, prisoners of a system that intentionally confines us in financial ignorance for the benefit of others.

To all these drawbacks, another one is added: our DNA should be added as if that were not enough. We are not genetically programmed to save. We are more interested in "do not save for tomorrow what you can spend today." And if you are one of the few who save, we are not prepared to take risks either. We prefer the "cushion strategy" as a "safe" investment strategy.

And lacking a base of financial education to feel comfortable in our relationship with our money, having a DNA little friend of saving and investment, being in the hands of the financial industry and a government that is nothing or scarcely interested in our personal finances, to top it off, we are immersed in a barrage of financial information in digital media, dispersed in many sources that tell us about savings, investment, economic freedom, the 4% or 20-30-50 rule, FIRE movement, taxes, replacement rate, sustainability coefficient or the Escrivá pension plan. May God protect us because we are dead. If we had an interest at some point in self-educating and learning, we already lost the desire because it is overwhelming, and we look the other way. The task seems titanic to us.

But you must be strong, open this melon, and digest it little by little. It takes time to process the information we need. Just as learning to cook or study for a degree takes a while, learning to plan, save and invest also takes time and practice. And we must give ourselves that time to understand, assimilate and discover our abilities from a financial point of view. It is within everyone's reach to manage our finances with solvency and security to create sufficient wealth that allows us to maintain our lifestyle now and tomorrow. You just have to get to it. And today, the internet gives us almost infinite resources.

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