Reflections on Finance and Money

One of the most interesting concepts I learned this week in my study of finance and money from a range of sources was the temporal value of money (TVM). I was especially amazed at the notion that money today is worth more than the same amount of money in the future due to its potential to grow. I was able to comprehend the benefits of saving and investing early more clearly after understanding how interest works in simple and compound forms.  
  
The mechanism of banks working by generating money through lending was another thought-provoking concept. This method was explained clearly and engagingly in the Kurzgesagt video. It explained to me the ways in which credit can encourage growth and the ways that banks are connected to the rest of the economy. My mindset regarding financial news and foreign market fluctuations has been changed as a result of understanding this.

I hope that this information will be applicable in numerous aspects of my life by 2025. Having the understanding that even small investments could grow exponentially over time makes me more inclined to value investing over saving when it comes to personal finances. In addition, having an understanding of how inflation and interest rates function would allow me to make more informed decisions about loans and mortgages. More generally, I can also appreciate how financial literacy could enable individuals to make more informed choices regarding business management and public policy. Overall, learning about the basics of money and finance has enhanced my critical thinking capacity.

In any case, learning the basics of money and finance has provided me with the capacity to scrutinize my financial choices and their lasting implications. It reminds us that even basic knowledge about finance can lead to more stable and prosperous futures on an individual and international scale.