

FINOVA ASSIGNMENT WEEK 1 ESSAY

The most fascinating thing that I have learned this week is the time value of money, i.e., the concept that money in the present is greater than the same amount in the future due to its earning power. From this, I understood the significance of investing early on compared to simply saving, since inflation makes the purchasing power of money decrease with time.

Another idea that really struck me was how banks make money by lending. I used to think that banks just held money, but realizing that they make money by providing loans really hit home. I now realized why economies expand with more lending and why debt management is crucial for stability.

In 2025, financial literacy is more important than ever. With so much inflation, increasing interest rates, and crypto currencies making up the global economy, being able to effectively handle money can make all the difference. For myself, I intend to put these lessons into practice by having better financial decisions, be it in budgeting or investments. Week 1 of learning has taught me that finance is not about numbers it's a tool that impacts every sector of life.