

## The View from Rare Albion\*

A column by Christopher Houghton Budd

## Concerning Financial Literacy

When we read financially, what are we reading? What is our vocabulary and what is our grammar? Financial literacy can mean no more than knowing the external aspect of accounting and the techniques of financial economics in order only to estimate the profit potential of an activity, the use we can make of it to serve our own, mainly pecuniary, ends. For this, any number of courses exist that train the mind to read in financial terms – but what one reads, while doubtless correct, can be superficial and myopic.

Are budgets and accounts, for example, merely abstract assemblages of dry information and dead statistics? Or do they represent, respectively, the path we are about to tread and the journey we have so far made? Is the income statement merely a record of profitability or an exact description of our relationship to the world? Is the balance sheet simply a cumulative account of net worth or does it reveal where we are in regard to our deeper purposes in life? When we read finances are we just kings in our counting houses or are we divining our deeper connections to society, our reasons for being?

The superficial level of reading is essentially egotistical, intended to do no more than make visible what one is getting out of economic life and to increase the efficiency of doing so. This, however, will lead to the mechanisation of economic life, as rule-based techniques pass from being a way of reading to a way of making things happen. At a deeper level, however, financial literacy calls on us to perceive what we are giving to society, and to make that more effective also. As we learn to read financially, so we also learn to write financially, to inscribe into the economic life our particular signatures, the unique contribution we would make. But thereby we make ourselves instruments of service. Superficial literacy, on the other hand, makes economic processes slave to our egotism.

Furthermore, how do we teach financial literacy? Do we merely prepare the minds of the young to focus on their own net worth, rather than society's well-being? Do we acquaint them with computer accounting programmes that conceal rather than reveal the subtle processes of accounting, let alone their link to our moral disposition? Or do we remind them of the long evolution of accounting and the orientation it can give us in an otherwise directionless world? Do we pretend that numbers are mere figures, or do we show how they are hieroglyphs that plot our relationship to ourselves and to one another?

For many people, financial literacy is only about stocks and shares, how mortgages work and accustoming people to the use of credit cards. It could however be about meeting human needs through what we do, and about realising our destinies in the process. Or, indeed, about realising our destinies through the medium of serving others? This does not spell absence of profit, but gives profit an inherent social purpose as the measure of how well both things have been accomplished – the satisfaction of material needs *and* the fulfilment of life purposes.

It is undoubtedly easier to use rather than serve the economic life of our times, to take rather than to give (which is not the same as taking first then giving back later!). But thereby we slide into disinterest and lose the will to be concerned about the untoward aspects of modern economic life, let alone the will to do anything about them. We lose our bearings and our uprightness. But in losing these, we lose our ability to be human as regards economic life and to act in a human way.

The column takes its name from a book by the same name in which the human being learns to take the point of view of humanity as a whole: *Rare Albion – The Further Adventures of a Wizard from Oz, A Monetary Allegory*. Christopher Houghton Budd, New Economy Publications, Canterbury, 2005, available from [cfae.biz/publications](http://cfae.biz/publications).