


Chapter 8

Sustainability of Financial Energy Literacy: A Literature Review

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ABSTRACT

This study aims to analyze the implications of the financial energy literacy (FEL) with sustainability as interdisciplinary concepts. The holistic approach of sustainability of financial energy literacy (SFEL) is critical in an environment where energy costs are rising and environmental sustainability is becoming increasingly urgent. The method employed is the meta-analytical and meta-cognitive analysis based on a conceptual, theoretical and empirical literature review published in the last five years. It is concluded that financial energy literacy is a crucial element for achieving sustainable development goals, as it empowers individuals to make informed decisions that benefit both their financial well-being and the environment of individuals, families, organizations and communities.

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INTRODUCTION

Financial energy literacy (FEL) is an interdisciplinary field that works towards the integration of financial and energy literacy at the personal and household level to obtain accurate information on the basis of economic aspects concerning such decisions that is economically sustainable and environmentally sustainable (Maji & Chakraborty, 2023; Tari et al., 2024). This integration recognizes that energy-related decisions often have significant financial implications, and vice versa. Therefore, individuals need to possess the knowledge and skills to navigate both domains effectively. By understanding both the financial and energy-related implications of their choices, consumers are better equipped to make informed decisions that benefit both their wallets and the environment. This includes making informed decisions about energy-efficient appliances, renewable energy investments, and other sustainable practices, (Tari et al., 2024; Siddiqui et al., 2022).

FEL empowers individuals to evaluate the costs and benefits of different energy options, understand the long-term financial implications of their choices, and resist psychological biases that may lead to unsustainable behaviors. This holistic approach is critical in today's world, where energy costs are rising and environmental sustainability is becoming increasingly urgent, (Tari & Kannan et al., 2022). The increasing costs of energy place a significant financial burden on households, especially those with low incomes. Therefore, understanding how to manage energy consumption and reduce energy costs is essential for financial stability. Additionally, the growing awareness of environmental issues has made it imperative for individuals to adopt sustainable practices that minimize their environmental impact, (Tari. & Patil, 2017a; Tari & Patil, 2017b).

People can achieve a positive net on themselves and society, from fiscal and environmental aspects under this program because people are given a balance of funds and environmentalism as collective goals. It in fact is much more than just a personal benefit; this is too much progress and an improvement in a society by improving energy use for the better, in energy saving and proper use of energy to be better for all mankind (Maji & Chakraborty, 2023). FEL serves as an efficient mechanism to provide political and industrial aid to politicians and enterprises aiming to deliver a cleaner and fairer future with low emissions.

For example, policies that promote energy efficiency and conservation can help to reduce greenhouse gas emissions, mitigate climate change, and improve air quality. Additionally, financial incentives for renewable energy investments can spur innovation and create jobs in the clean energy sector. The combination of energy literacy and financial literacy empowers individuals to make choices that not only benefit their own financial well-being but also contribute to a more sustainable and resilient society.

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