E-ISSN: 3139-941X
Website: www.ijarmrtresearchjournal.com
Peer Reviewed | Open Access | Indexed Journal
International Journal of Agricultural Research and Multidisciplinary Research Trends

Financial Problems Faced by Humans and Their Consequences for the Next Generation: A Global Review

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Received: 22/03/2026, **Accepted:** 24/04/2026, **Published:** 07/05/2026

Abstract
Money troubles are a problem that people, families and communities all over the world are dealing with. This review looks at the different ways that financial problems can affect people, including being poor, owing money, not earning enough, being out of work and not knowing how to handle money.
Some important things that this review found out are that kids who grow up in families that are struggling with money are more likely to not do well in school, have health problems, and not have good job opportunities. Also, big financial problems, like recessions, much debt and a growing gap between rich and poor, can make these problems even worse from one generation to the next.

Keywords: Problems, intergenerational poverty, economic inequality, financial literacy, next generation debt burden.

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1. Introduction

Financial problems can also affect the generation. When children grow up in a family that is struggling financially, they may not have the opportunities that other children have. They may not be able to go to a school or get the healthcare they need, which can make it harder for them to succeed when they grow up. This can involve things like creating jobs, increasing wages and providing affordable housing and healthcare.

By providing education, job training and support and by addressing the root causes of financial problems, we can help break the cycle of poverty and create a more equitable and prosperous future for everyone. 1. Money is very important for people to live a life. It helps us buy food, shelter, healthcare, education and many other things we need. However, many people around the world are struggling with problems. They may not have money to buy the things they need, or they may have a lot of debt.

2. Materials and Methods

To learn more about problems and how they affect people, we looked at many different studies and reports. We searched for articles and books that talked about stress, economic hardship, poverty and other related topics.

3. Results and Discussion

Financial problems can take different forms. Some people may not have money to buy food or pay for a place to live. Others may have a lot of debt. Not being able to find a job.

One of the reasons why financial problems are so hard to overcome is that they can create a cycle that is hard to break. For example, if someone is not making money, they may not be able to afford things like healthcare or education, which can make it even harder for them to get a better job and make more money.

Financial problems can also affect the generation. When children grow up in a family that is struggling financially, they may not have the opportunities that other children. They may not be able to go to a school or get the healthcare they need, which can make it harder for them to succeed when they grow up. There are things that can be done to help break the cycle of financial problems. One thing is to provide people with education and job training so they can get jobs and make more money. This can involve things like creating jobs, increasing wages and providing affordable housing and healthcare.

3.1 Nature and Types of financial problems faced by humans

Problems can take many different forms. Some people may not have money to buy food or pay for a place to live. Others may have a lot of debt. Not being able to find a job. One of the types of financial problems is poverty. Another type of problem is debt. Debt is when someone owes money to someone, and they may not be able to pay it back. This can be very stressful. Can make it hard for people to get out of the cycle of poverty.

Table 1: Major financial problems faced by humans

S. No.	Financial Problem	Description	Possible Consequences
1	Poverty	Lack of basic income	Hunger, poor housing
2	Unemployment	No regular job	Stress, debt
3	Debt Burden	Loans unpaid	Anxiety, asset loss
4	Low Wages	Income below needs	Poor education access
5	Financial Illiteracy	Poor money management	Savings failure

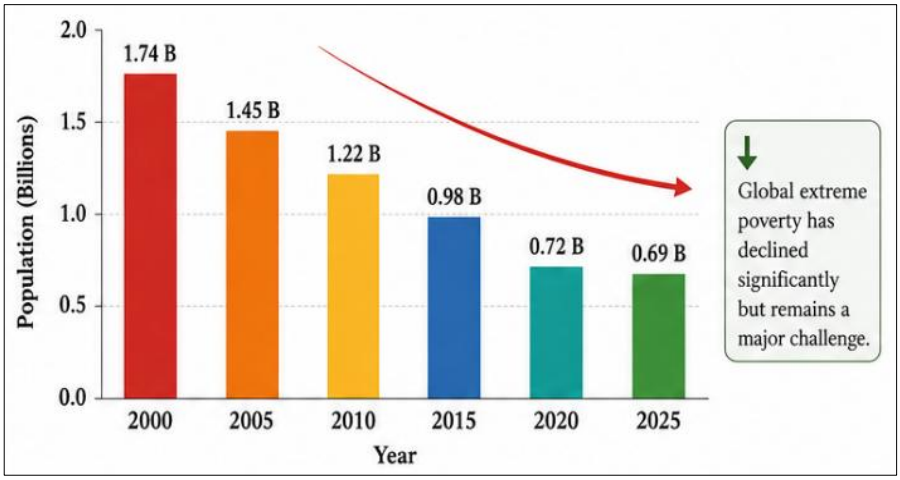

Fig 1: Global population living in extreme poverty (<$2.15/day) 2000 to 2025

3.2 Mechanisms of intergenerational financial transmission

Problems can be passed down from one generation to the next. This can happen in different ways. For example, if someone grows up in a family that is struggling financially, they may not have the opportunities that other children do. They may not be able to go to a school or get the healthcare they need, which can make it harder for them to succeed when they grow up. Another way that financial problems can be passed down is through debt. If someone owes a lot of money, they may not be able to pay it back. This can affect their children and grandchildren.

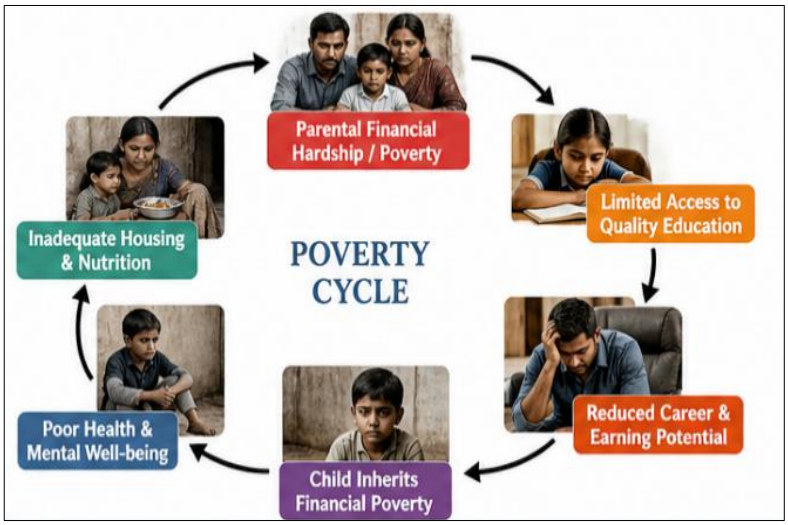

Fig 2: Intergenerational financial poverty cycle-transmission mechanisms

3.3 Impact on the next generation: Evidence from literature

There are studies that show how financial problems can affect the next generation.

Table 2: Impact of financial problems on next generation

S. No.	Area Affected	Impact on Children
1	Education	School dropout
2	Health	Malnutrition
3	Mental Health	Depression, stress
4	Career	Low future income
5	Social Mobility	Poverty cycle continues

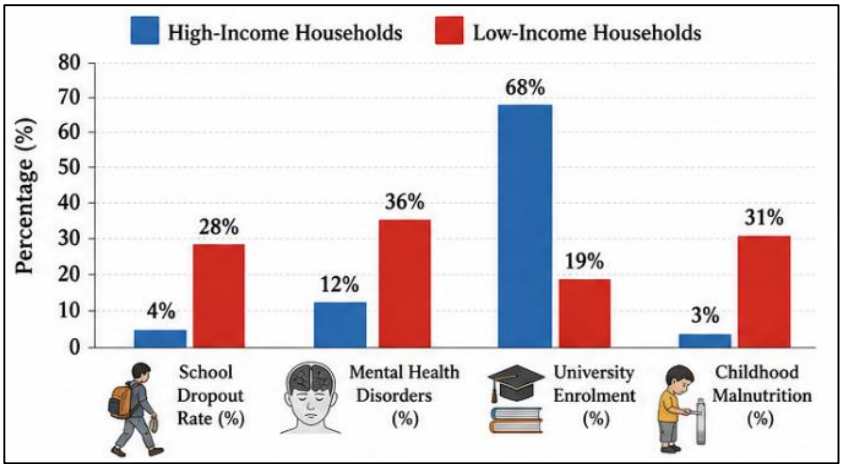

Fig 3: Comparison of key child outcomes by household income level (Global Estimates, 2026)

3.4 Macro-level financial threats to future generations

There are things that can affect the financial well-being of future generations. One thing is climate change. By providing education, job training, and support and by addressing the root causes of financial problems, we can help break the cycle of poverty and create a more equitable and prosperous future for everyone.

3.5 Rising Cost of Living

The cost of living is going up fast in many cities around the world. Housing costs, education fees and healthcare costs are increasing a lot faster than what people are earning.

Table 3: Solutions to break poverty cycle

S. No.	Solution	Expected Benefit
1	Free Education	Better opportunities
2	Skill Training	Employment growth
3	Healthcare Support	Healthy families
4	Financial Literacy	Better money use
5	Social Welfare	Poverty reduction

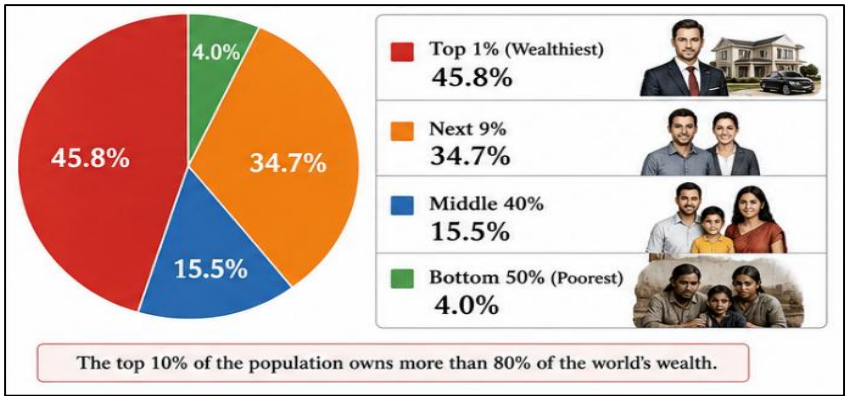

Fig 4: Global wealth distribution by population segment (2026)

4. Conclusion

Issues like being poor, having debt, not having a job, not knowing how to manage money, and not being treated all work together to create a cycle that is hard to break. If we do not do something to stop this cycle, it will continue to hold people back.

To break this cycle, we need to work at different levels. We need to teach people how to manage their money, save and deal with debt. We also need to help people in our communities by giving those loans, training them for jobs,

and supporting their mental health.

At a level, governments and other organizations need to make sure people are paid fairly, have access to good education and have help when they need it. If we invest in children, it can make a big difference in their lives and help them overcome the challenges they face.

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How to Cite This Article
Khan A, Sharma R, Mehta P. Financial Problems Faced by Humans and Their Consequences for the Next Generation: A Global Review. International Journal of Agricultural Research and Multidisciplinary Research Trends. 2026;1(1):16-19.

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