

THE RELEVANCE OF FINANCIAL LITERACY OF THE YOUTH IS AN IMPORTANT PRIORITY OF STATE POLICY

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ABSTRACT

The purpose of the study is to create the foundations for the formation of financially literate behavior of young people as a necessary condition for financial well-being and ensuring sustainable economic growth. In many countries of the world, awareness of the need to increase the financial literacy of the population has led to the formation of national financial education strategies or programs. In particular, foreign experience accumulated in this area is considered. This problem is considered extremely relevant at the present time, when the ability to properly and rationally manage. It is concluded, that based on the analysis of methods and techniques used in developed countries to improve the financial literacy of young people, it is possible to determine the real opportunities that exist in our country in terms of further development of financial self-education of citizens. The results of the study are of interest to parents of young people, secondary schools, and to a wide range of readers.

KEYWORDS: *Financial Education, Finance, Financial Market, Plastic Card, Currency, Asset, Capital, Income, Expense, Financial Awareness, Financial Matters.*

INTRODUCTION

World practice shows that by increasing the financial literacy of the population, the state solves a number of problems, such as unemployment, dependence on state benefits, etc. Especially financial literacy should be developed in children at school age. In order to develop the financial literacy of the population, it is crucial to study and analyze the experience of developing financial educational system and increasing the level of financial literacy of the population in many other countries. Analyzing interesting and effective programs, methods, educational and informative products, used to solve this problem, we decided to introduce these experiences among the youth of the Republic of Uzbekistan.

LITERATURE REVIEW

In improving the financial literacy of the population, especially young people, it is necessary to separately indicate the role of the state. It is the programs. if you implement the experience and programs used by advanced and developed countries, such as France, Great Britain and the USA, you can get a more significant results developed by the state that significantly influence the solution of this problem. It is the state that implements financial legal norms and rules that are decisive.

Due to low financial literacy, many compatriots often cannot support themselves even with the high salaries. There is also a big risk of falling for the bait of scammers and losing savings. Therefore, it is worth paying special attention to the formation of knowledge in the field of

finance.

Financial education of the young people contributes to the adoption of competent decisions, minimizes risks and, thus, can increase the financial security of the youth. A low level of financial literacy or lack of understanding in the area of personal finance can lead not only to bankruptcy, but also to illiterate retirement planning, vulnerability to financial fraud, unexpected debt, and social problems, including depression and other personal problems.

Analyzing the experience of developing financial education and improving the level of financial literacy of the population of many other countries of the world, we studied the most interesting and effective programs, methods, educational and information products used to solve this problem. The research showed that by now there are particularly no countries in the world that have not been affected by the problem under consideration to one degree or another.

The concept of “financial literacy” goes beyond political, geographical and socio-economic boundaries, and the need for the financial education of the population is growing exponentially. Financial literacy helps a young person change their attitude to money, manage it, makes them think about the future, plan the needs of their life cycle.

It must be seen as a constantly changing state of attitudes, knowledge and skills, influenced by age, family, culture and even place of residence. Exactly this approach to the concept can be found in the national financial literacy standards for pupils and students in the United States of America. The financial goals of people are individual, which are motivated by the life situation and the socio-economic status of the person.

Financial literacy is a set of abilities that, although acquired in the process of financial education at school and university, are mastered and tested in practice throughout life. This issue has become more relevant during the pandemic and post-COVID period. In a number of countries, there are programs and projects to improve the financial literacy of the population, designed to promote the formation of a national philosophy of “self-reliance”, so that every citizen achieves financial independence and maintains it in old age and does not become dependent on the state or on other persons.

In solving this problem, an extremely accurate understanding and unambiguous interpretation of the concept of “level of financial literacy” is very important, since this allows us to model the national system of financial education, the content of the subject and teaching methods, i.e. “What to teach” and “how to educate” cannot be understood without a precise definition of the concept of “financial literacy”.

Financial literacy is inextricably linked with the state, since it is what exactly implements financial legal norms and rules that are imperative. Participants in financial relations do not have the right to change their instructions and are forced to follow them, because this is the national identity of financial literacy. Therefore, it will be necessary to deeply study the mentality and characteristics of the population of Uzbekistan.

The key points of the national strategies are: to update the definition of financial literacy, clarify the target population groups, survey and evaluate the current state of existing curricula (if any, of course), methodologies and educational activities and, most importantly, develop further plans for public and private organizations.

World practice shows that if the state is involved in this process, the problem is solved more successfully.

Given the mentality and psychology of the population of Uzbekistan, it is necessary to concentrate all efforts on creating a state program for the financial education of young people. Since the role of

an authoritative, independent and reliable provider of information in the field of personal finance is very important in this process, which the state should become. It is from the state that the younger generation expects "good advice in the field of finance."

Increasing financial literacy is the responsibility of the state, business and family.

The study shows that special attention is paid to such a target group as children and young students. Almost two thirds of the current educational schemes and information and educational products are oriented towards it. The relevance of education for this age group is increasing due to the very low awareness of young people in financial matters, confirmed by the data of a number of surveys conducted in different countries. The results of the surveys show that young people for the most part do not save money for the future prefer to keep their money in a piggy bank, and have debts.

It is important to remember that today's children are future financial market participants, taxpayers, savers and borrowers. That is why it is advisable to start teaching financial literacy at an early age at the initial stages of the educational system.

In many countries of the world, attempts are being actively made to introduce financial literacy as an independent subject or as part of existing subjects studied in educational institutions. A successful example of the integration of knowledge in the field of personal finance is the experience of France, shown in table No. 1

TABLE NO. 1 INCREASING KNOWLEDGE IN PERSONAL FINANCE

3rd group	4th-5th group	6th group
Concepts: Income (salary, bonuses, employee income, benefits) Practical skills: calculation of taxes on wages	Concepts: purchases (prices and their types, production costs, supply and demand, wholesale and retail purchases, which is more profitable - to buy or rent, buying on credit). Practical skills: calculation of savings on purchases.	Concepts: the benefits of trading, the role of money, income and pocket money, budgeting Practical skills: calculating savings on purchases.
Concepts: purchases (prices and their types), services and prices for them. Practical skills: price discount calculation	Concepts: credit card Practical skills: using an ATM	Concepts: banknotes, coins, checks, credit cards, savings. Practical skills: understand the difference between checking account and savings
Concepts: currency (dollar, euro, etc.) Practical skills: calculation of the exchange rate		
Concepts: credit, loans, interest (differences between credit and loans, simple and compound interest) Practical Skills: Percentage Calculation		

In modern society, there is an urgent need to create a culture of entrepreneurship, develop skills and behaviors for organizing your own business.

Providing assistance to the unemployed, revealing and assessing the personal qualities necessary for private entrepreneurship is reflected in most successful financial literacy programs abroad.

It should be noted that the problem of introducing the concept of financial education into existing curricula is relevant for all countries. International experts identify the following main reasons for the need for such integration:

- Firstly, it makes it possible to cover all segments of the population with training, regardless of social and financial status, thereby laying the foundations of knowledge and skills for a whole generation;
- Secondly, there is a rapidly growing proportion of students who start making financial decisions at an earlier age (pocket money, spending on a mobile phone, the Internet, etc.);
- Finally, it is at an early age that not only the foundations of culture are laid, but also incentives for learning and education throughout life.

The reasons for the importance of financial education of young people, confirmed by world practice:

1. The special financial vulnerability of the younger generation due to the discrepancy between the existing material base and the needs of young people and families;
2. The growing importance of competent financial behavior of parents for the upbringing of children;
3. Active consumption by young people of financial products and services associated with increased risk;
4. The need for understanding and early formation of their pension savings;
5. The growing importance of competent investment behavior, both for the national economy and for the future as a whole.

The main goal is to find the best option for including elements of financial education in the existing national educational program. For this it is crucial:

- To prove the importance and necessity of financial education;
- To form motivation for the need to include elements of financial education in existing curricula;
- To define standards and requirements in the field of financial knowledge for all national educational institutions;
- To create a centralized resource of high-quality accredited training programs - allowing you to make a choice of the necessary material, taking into account different conditions, cutting off the risks of commercialization of training materials and programs;
- To promote the creation of effective methods of training teachers, the formation of a culture of teaching in the field of personal finance, to provide financial support to this process at the national and local levels
- A study of foreign experience showed that the first and simplest thing that can be done to solve this problem is:
- Ensure a common understanding and approach to the financial education of the population at all levels (from the government, education departments, governors to schools, teachers);
- Accept financial education as a public issue in all key structures;

- Actively communicate the consequences of financial illiteracy.
- At the next stage:
- It is necessary to create expert groups for operational research and examination of methods and information materials on personal finance that are of interest to students of different ages, identify the most effective ones, as well as take into account and replicate best practices;
- On this basis, to form a professional center of resources and training models for different ages to help the teaching staff and their convenience;
- Approach the teaching of personal finance creatively, creating interdisciplinary lessons, as well as using certain topics within the framework of teaching mathematics, reading, social studies, etc. subjects;
- Create a public-private partnership for these purposes.

Practice has also shown that the successful integration of financial literacy into the education system depends on the availability of:

1. Programs that harmoniously fit the necessary financial knowledge into the training programs, while the relevance, simplicity and intelligibility of the information provided, its connection with real life and age-related interests (problems) of the students are of fundamental importance;
2. Personnel for the formation of the necessary knowledge among students, which involves the organization of a reliable and effective system of assistance in training;
3. Incentive mechanisms for both students and teachers.

Of great interest to Uzbekistan is an integrated approach to the financial education of the “children and student youth” group according to the “children-parents-teachers” scheme, which provides for simultaneous work in all three areas in the formation of programs, events and information and educational products. An example of individual information and educational products is given in Table No. 2.

TABLE NO. 2. EXAMPLES OF INDIVIDUAL INFORMATION AND EDUCATIONAL PRODUCTS, METHODS, ACTIVITIES WITHIN THE FRAMEWORK OF STATE PROGRAMS

Programs	Key tools, activities and methodology
As part of the UnderstandingMoney program Australia	- game series: PlayReal (ages 8-10), Make It Real Game (ages 10-12), Real Game (ages 14-16), Get Real Game (ages 16-18); - Career development program.
Within the framework of the program "Economic and financial literacy" Austria	- excursions on the history of money to the Museum of Money; - the movement of the "euro bus".
As part of the program "Learn to borrow money at an early stage", Netherlands	- lessons at school; - guides for parents; - games for teenagers.
Within the framework of the program "Ensuring the Future", Netherlands	- "retirement hours" for students of higher educational institutions.
As part of the Mymoneyweek program, Canada	- game developing shows "Financial

	genius", "Investor"
Within the framework of the program "Financial education for schoolchildren", Italy	- training of school teachers.
Within the framework of the program of the National Bank of Poland	- games, puzzles, riddles, multimedia presentations; - plans and scripts for lessons and consultations for teachers; - e-learning courses; - educational package for teachers and parents (CD-R, textbooks, lesson scripts, etc.)
Within the framework of the "Finance for All" program, France	- quizzes, glossary, games, crossword puzzles, anagrams, charades; - books for children and parents; - a forum for teachers and parents.
As part of the Lessons for Life program, USA	- guide for teachers with lesson plans; - methods for parents; - role-playing games and cases for children.

Of great interest to Uzbekistan is an integrated approach to the financial education of the “children and student youth” group according to the “children-parents-teachers” scheme, which provides for simultaneous work in all three areas in the formation of programs, events and information and educational products. This scheme has already proved its effectiveness in the UK, Canada, USA, Australia, and Singapore.

An important feature of foreign approaches to the issue of education in the field of personal finance, which needs to be emphasized, is that the need and ways to save for old age are explained from a very young age, and the beginning of an independent life is associated with the beginning of participation in various pension programs.

It should be noted that although the social and economic effect of improving the financial literacy of young people appears gradually, world experience proves the indisputable need for this work and the inadmissibility of delay in solving this problem.

A good level of financial literacy is necessary for every person not only to achieve their personal financial goals, but also to ensure the life cycle. By financial literacy, there will be an increase in the standard of living and confidence in the future, stability and prosperity of the economy and society as a whole. Financial literate youth of our republic in the future will make a significant contribution to the development of the country's economy.

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