

The Process of Organizing the Increase in Financial Literacy in Higher Educational Institutions

Асқаров Аброржон Ҳайитмирзаевич,
Наманган давлат университети, Мустақил тадқиқотчиси,
Abrorjonasqarov86@gmail.com

Abstract

The life cycle of any person includes certain events that need to be financially prepared for. Japanese scientists at Nagoya University and Hiroshima University found a link between understanding the patterns of the financial system and stress. Experts say that people who understand finances are less prone to stress and anxiety. It doesn't matter if they are rich or not. The purpose of the article is to show the features and capabilities of the country's regional universities in solving the problem of increasing the financial literacy of young students.

Keywords: financial literacy, general education program, professional standard.

Introduction

In recent years, there has been a rapid growth of various types of financial products and services. However, financial illiteracy causes seniors to misunderstand the nature and features of certain financial products, which in turn leads to serious problems and worries the state. Financial literacy of the population, including a social group such as students, determines the level of development of the state's economy. Ignorance of the basics of financial literacy can lead to serious risks not only for individual credit and insurance organizations and their customers, but also for society as a whole.

For example, as of January 1, 2024, the amount of overdue loans in the banking system of Uzbekistan is 16.61 trillion. amounted to soums, which is 18.7% more than last year. Non-state loans in the loan portfolio of state banks amount to 13.26 trillion. amounted to soum.

Economic growth is slowing in many developing countries. The economy has grown from 6 percent to 5 percent over the past two decades and is expected to grow at just 4 percent over the next 7 years. Each percentage point of decline in growth means that 100 million people are below the poverty line and another 50 million are below the extreme poverty line.

If you look deeper, you can see that many people are struggling to provide for themselves and their families because their incomes are not growing. For example, in sub-Saharan Africa, per capita income remains the same as it was 14 years ago. At the same time, debt has increased in all emerging market countries, and has doubled in Africa, undermining any attempts by these countries to get back on their feet.

For this reason, a number of countries are implementing programs to increase the financial literacy of the population. Knowing the financial basics leads to a reduction in overdue loans, a reduction in the number of financial frauds, and saves people from buying harmful financial products.



As for the youth, they can be the driving force in shaping our future, but when they grow up, it will be easier for them to find a place in life if we provide them with decent conditions and then provide them with jobs. Work creates a sense of self-respect and pride, provides an opportunity to provide for yourself and your family. When there is no job or the hope of getting one, a person's desperation turns to anger, and in these moments people go after anyone who promises a way out. These negative effects can cause irreparable damage to society or even entire generations.

The empirical research method, consisting of a survey among students of higher educational institutions in the field of economics, assessed their powers in the field of financial literacy, as well as their desire to achieve it .

After processing the questionnaires using the statistical method, it was found that most of the respondents do not have full financial literacy skills, but they said that they are ready to acquire them. Competencies of financial literacy are not sufficiently represented in the estimated general education programs, so they should be developed together with general theoretical training.

Financial literacy should be implemented taking into account the framework of national qualifications, in this regard, the practical part of financial literacy issues should be revealed first (in the undergraduate system), and only then should the student be introduced to the general theoretical part (economic theories) in the master's degree; thirdly, the role of various institutions, in particular, non-state pension funds, funds, etc., to increase the financial literacy of the population is indicated. The low level of financial literacy of our citizens leads to their inability to effectively plan their budget, save and increase their funds, do not know how to make long-term financial plans and adequately assess financial risks.

The purpose of the study is to determine the need to supplement the financial subjects taught in higher education institutions with financial literacy courses. It is believed that students studying financial literacy should be familiar with financial behavior patterns in everyday life, identify best practices, and manage financial and operational risks when using financial products. At the same time, the data from the survey showed that students do not have complete financial literacy and they want to learn more in this area as part of their studies. An analysis of the main educational programs in the financial and economic direction showed that all of them do not take into account the basics of financial literacy. It can be assumed that the educational programs of financial and economic sciences, which form the general cultural competences and professional competences of calculation, economic, analytical, research, organizational, managerial and pedagogical activities, do not form or do not completely form competences in the field of financial behavior.

Thus, we can draw a clear line between the theoretical parts based on the bachelor's degree and the master's degree. These include financial and economic education, as well as practice-oriented courses and programs, including additional professional education, financial literacy . The differences in these areas of education are based on the difference in the goals and objectives of teaching, methodological approaches and the content of curricula. In the first case, specialized specialists are trained, in the second case, practical knowledge is provided for consumers of financial services. At the same time, the teaching of financial literacy may be



limited to financial products required by consumers, and may not affect the economic and mathematical basis of the operation of financial products, focusing on the legal aspects of their application to the public and possible legal consequences.

An important aspect of educational programs on financial literacy is the formation of powers in the field of marketing of financial services, aimed at analyzing marketing offers by financial market entities on the presentation of unfair, incomplete and disruptive information. Taking into account the above, the objectives of the research may be:

1. Analyzing the statistical data obtained within the framework of the student survey.
2. Evaluation of the content of approximate general education programs.
3. Studies on the content of financial literacy programs.
4. Formulation of proposals for changing the content of financial literacy programs and approximate general education programs.

Materials and methods:

The study of the problem of forming the financial literacy of young students during their studies at the university was conducted on the basis of a survey of 273 students from 4 higher education institutions in February-March 2024 using a specially designed questionnaire through Google Forms. The results of the questionnaire were processed using the method of comparative analysis of student responses. It made it possible to identify and analyze the specific features of the formation of financial literacy of students depending on the status of the higher educational institution.

Research results:

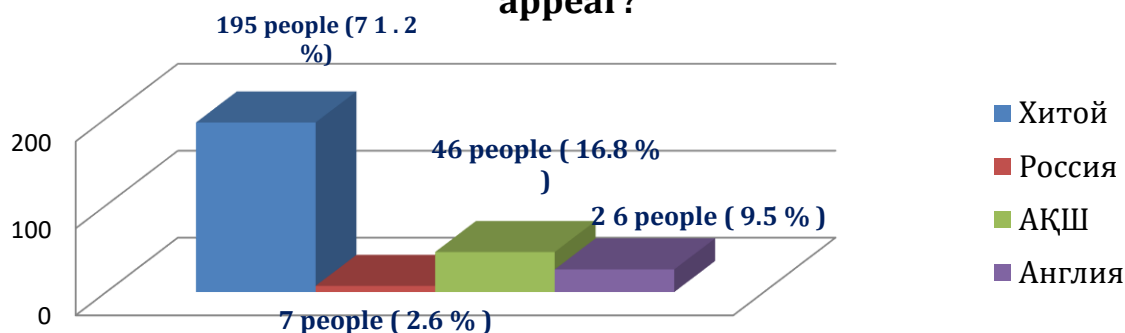
Thus, the main problem of the study was the desire to analyze the available competencies in the field of finance among students studying in different fields.

The research hypothesis is based on the assumption that students studying in different fields do not have knowledge and skills that meet modern requirements in the field of finance, and it was determined that it is necessary to develop a survey concept of financial literacy for students studying in specialized fields. This survey helps to make conclusions by analyzing the level of financial literacy of students. This survey was conducted among a total of 275 students studying in various fields.

We will analyze the results one by one. The study presented in **Table 1** showed that the majority of students studying in different fields answered the question about where in the world paper money first appeared, 195 (71.2 percent) students answered correctly, and 79 (71.2 percent) students answered this question incorrectly.

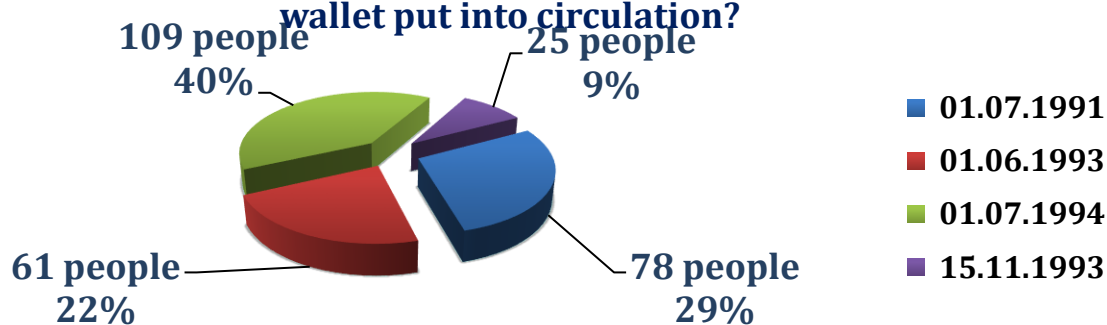


Question 1: Where did the first paper money in the world appear?



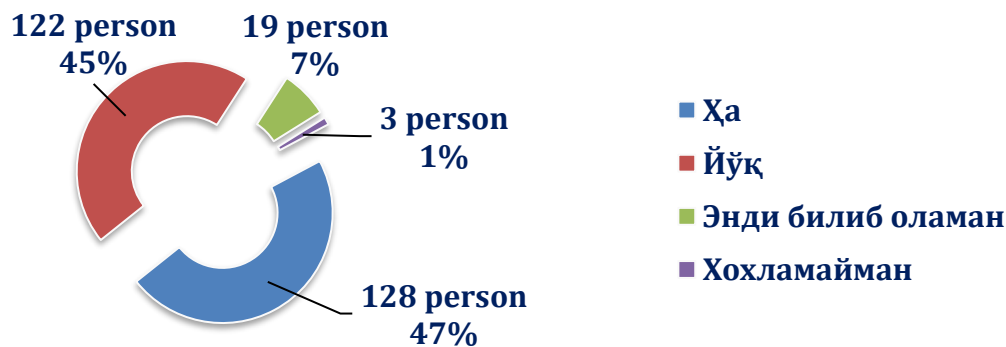
in Table 2 showed that 109 (40.0 percent) students answered the question correctly when Uzbek currency in your wallet was introduced to students studying in different fields, and 154 (60.0 percent) students answered this question incorrectly.

Question 10: When was the Uzbek currency in your wallet put into circulation?

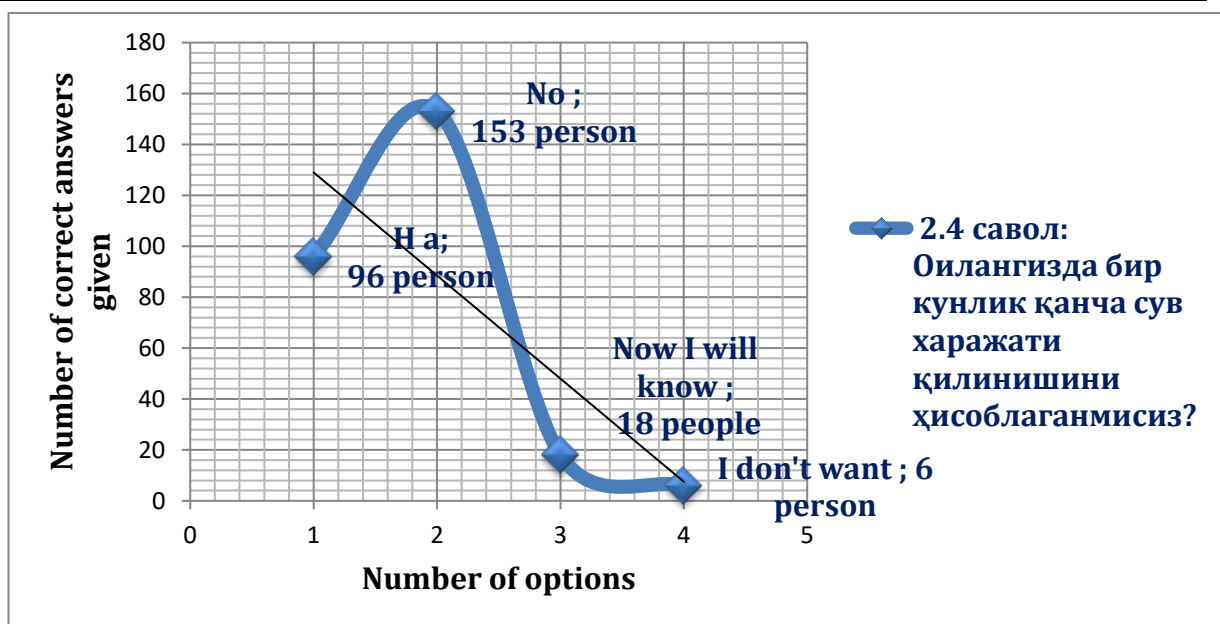


in Table 3 showed that to the question of whether students studying in different fields know how much electricity costs in their family for a day, 128 (47.0 percent) students answered yes, 122 (45.0 percent) students did not know, 19 (7.0 percent) students answered that they would like to know now, 3 (1.0 percent) students answered that they do not want to know.

3 : Have you calculated the cost of electricity for one day in your family?



in Table 4 showed that only 96 (35.2%) students answered yes, 153 (56.0%) students did not know, 18 (6.6 percent) of students answered that they now know, 6 (2.2 percent) of students answered that they do not want to know.



in Table 5 showed that to the question of whether students studying in different fields know the price of 1 para lesson at a higher education institution for a day, only 117 (42.9%) students answered yes, 112 (42.0%) students did not know, 36 (13.2 percent) students answered that they would like to know now, 8 (2.9 percent) students answered that they do not want to know.



Discuss the results. From the above data, it can be concluded that different programs of students studying in different fields have an extreme lack of financial literacy, because financial literacy as a concept of everyday life differs from the theoretical foundations of financial and economic knowledge.

Thus, secondary special, higher and additional professional education programs play an important role in increasing financial literacy. According to economists, these programs must include financial literacy skills.

At the same time, already at the level of state educational standards, financial literacy should be included in the general cultural competencies, in particular, in the general cultural competence of higher education with the following words: "The ability to apply the basics of



economic knowledge, including the basics of financial literacy, in various fields of activity." This mandate should also be found in model general education programs.

It is important to emphasize the need to include the basics of financial literacy in the process of professional and public accreditation of educational programs. According to the relevant clauses of the decision of the Cabinet of Ministers of February 16, 2006 No. 21 on the procedure for state accreditation of educational institutions in the Republic of Uzbekistan, it would be appropriate to include them in the procedure of professional and public accreditation. Within the framework of this procedure, the requirements for improving the financial literacy of students should be reflected in the self-inspection report of the educational organization, in the expert inspection lists, and in the conclusion of the expert commission on the results of on-site inspections. In such a conclusion, it will be appropriate to introduce the index of financial literacy of higher education institutions.

The importance of professional standards should be emphasized as part of increasing the level of financial literacy. Professional standards are an important legal document for the labor market and regulate the requirements for the qualifications of specialists in various types of professional activities. Professional standards indicate the possible trajectory of professional growth of specialists and the requirements for education, work experience, work activities, knowledge and skills of specialists that change within this trajectory.

Vocational standards are used in the education system in the development of state standards and programs of secondary vocational education, higher education and additional vocational education. Professional standards are used in the development of personnel requirements within the framework of job descriptions, employee certification and independent evaluation. The existence of a professional standard implies the unification of requirements for the implementation of a type of professional activity by professional teams, including the core of the type of professional activity and conditionally related auxiliary activities.

At the same time, an important component of the professional standard may be the following. Qualification requirements are initially referred to as entry qualifications, which are lower than other qualification levels of specialists. The entry qualification allows graduates of colleges and universities who do not have the relevant work experience and necessary skills to enter the profession and gain professional experience to move to more complex stages of qualification. As part of the entry qualification, an important element of the requirements should be the basics of financial literacy, which will allow a young professional to manage the consumer characteristics of financial products and manage financial and operational risks in daily and professional practice.

Thus, financial literacy is presented to us as a separate section of knowledge related to the financial and economic sphere, which implies special target competencies in the educational process, including professional and public accreditation, as well as special approaches to the development of professional standards, independent assessment of skills.

The concept of financial literacy was developed by the Organization for Economic Cooperation and Development, and many countries, including Russia, follow this concept.

The main goal is the development of rational skills in managing personal finances. Personal finance management is divided into three components: financial knowledge, financial behavior



and financial relationships, which become the object of assessment when determining the level of financial education in this country.

For example, since 2011, the Ministry of Finance of the Russian Federation, together with the World Bank, has been implementing the program "Helping to increase the level of financial literacy of the population" and the development of financial education in the Russian Federation . aimed at creating a basic financial education system for the population as consumers of services.

S. on financial literacy. V. Brovchak, M. A. Selivanova, E. N. Sochneva, O. V. Firsanova, A. A. Tsyganov, V. G. It can be seen from Shubaeva's analysis that a number of universities in Russia are successfully implementing financial literacy programs for adults, for example, the Financial University under the Government of the Russian Federation trains teachers of financial literacy educational institutions. Volgograd State University and other universities from higher education institutions have analyzed in their articles entitled "Voprosy povyshenia finansovoy gramotnosti studentov vysshikh uchebnykh zadaniy finansovo-ekonomicheskoy napravlenosti" that a great deal of experience has been accumulated in increasing the financial literacy of the population.¹

Such powers are accepted, for example, within the framework of the implementation of training programs for the unemployed in the Russian employment service system. Regardless, the program is a study of the unemployed, in which a specific block is a section called "Fundamentals of Financial Literacy", which teaches students the basic competencies to maximize the opportunities of the financial market to increase the well-being of an individual or a household.

Also, in Russia, financial literacy courses are taught within the framework of support programs for small and medium-sized businesses within the Small and Medium Enterprises Corporation. In addition, some universities are trying to include the basics of financial literacy within the framework of economic theory for students of non-economic fields (specialties) or instead of this subject. Thus, financial literacy competencies are proposed to be introduced for those who usually do not study economics as the main profile program (students of non-economic fields or students of additional professional education programs). In all cases, students studying in the extended Economics and Management group are assumed to have competencies in financial literacy. However, the results of the survey showed that this is not the case.

As mentioned above, it is necessary to separate the basic theoretical knowledge of students of other fields from the practice-oriented knowledge aimed at solving practical problems in everyday life, which are often not related to professional problems. Students of other majors study economic theory (micro-macroeconomics), within which they learn behavioral concepts. The problem of choosing and evaluating alternative opportunities in economics, the foundations of the financial system, the theory of economic decision-making, equilibrium models, etc. Thus, they acquire worldview competencies, systematic thinking and analytical skills. However, all these competencies should be characterized by a higher level of

¹ S. V. Brovchak, M. A. Selivanova, E. N. Sochneva, O. V. Firsanova, A. A. Tsyganov, V. G. Shubaeva Issues of increasing financial literacy of students of higher educational institutions of financial and economic orientation Perspectives of Science & Education . 2019, Vol. 41, No. 5



competence than those mastered after obtaining the basic level of education - a bachelor's degree.

General theoretical training and systematic thinking are necessary to perform management functions. Thus, students of economic fields at all levels of education will have powers characteristic of higher qualifications, but they cannot use them in practical activities, because they do not have powers and knowledge characteristic of lower qualification levels.

Students of other non-economic fields (specializations) find it most relevant to acquire a basic practical degree. Today, in the secondary vocational and higher education system, there are many subjects aimed at the personal and ideological formation of a professional in any field, but the issues of financial literacy are not given enough attention or not at all. Students of non-economic fields study an economics course that includes the basics of micro and macro economic knowledge, while for them, even if we are talking about a non-financial employee, it is more important to learn the basics of financial literacy in order to form a rational behavior in society as an individual and as an employee of any organization.

For additional professional education programs, the financial literacy competencies here can be variable depending on the goals of such programs. To a large extent, they are complemented by legal aspects in terms of social security law, labor law and some aspects of civil law. The effect of improving financial literacy is multifaceted.

First of all , it is the reduction of economic crime by obtaining information about regulatory and legal regulation, methods of committing and investigating crimes.

Secondly , it is the development of the financial market in all its aspects.

Thirdly , the growth of citizens' well-being through independent management of their assets and decision-making in choosing financial services.

Fourth , there is greater confidence in financial institutions and a reduction in the shadow market in the economy as a whole.

Summary. As a result of the research, the following conclusions were drawn:

1. In order to introduce financial literacy at the level of state educational standards, financial literacy should be reflected in educational standards at all levels in various fields of activity.
2. This competence should be considered against the relevant skill levels in accordance with the National Qualifications Framework.
3. the labor market, it is appropriate to introduce requirements for entry skills from the point of view of financial literacy and reflect them and skills in an independent assessment system.

The self-assessment of the financial literacy of the students of the regional universities showed that the level of financial literacy is not sufficient, which showed that they do not have enough knowledge about the basics of the country's financial system, especially banking, tax, as well as the ability to save, consumption, their money investment and others.

At the same time, students noted that they understand the importance of forming the necessary level of financial literacy, and are also ready to participate in various forms of financial education.

Due to the lack of knowledge and skills of students of regional higher education institutions, the implementation of financial practices was determined as a result of the analysis:



- insufficient understanding of the importance of setting life goals in the field of finance (only a third of students set such goals);
- half of the students of regional universities have a misunderstanding of the importance of keeping accounts of personal funds and planning their budget;
- little use of financial planning (only a third of students regularly plan their finances, they rarely do slightly less than a quarter of students have financial planning and a tenth of students never plan their finances;
- 76.3% of students do not have financial practice of saving. Only 21.9 percent of students try to save some money at first and only then spend the rest.

In existing higher educational institutions in the regions, the educational process aimed at forming financial literacy can be built within the framework of the education system oriented to continuous step-by-step operation.

Such a system involves the implementation of a set of educational technologies: lectures, practical exercises, extracurricular activities with students as a means of telemechanical interaction of structures involved in the formation of financial literacy, participation of students in contests and olympiads on financial literacy, real financial projects, etc.

The developed work program of the subject "Financial Literacy" includes the study of the following topics.

- financial literacy and consumer behavior: rational choice and limitations;
- active incomes, their types and sources of formation;
- the structure of personal expenses and the possibilities of its optimization;
- how to choose an effective budgeting method;
- financial organizations and rules of interaction with them;
- ways to save savings and passive income;
- personal financial security.

The use of interactive teaching methods in the teaching of "Financial Literacy" helps to increase the efficiency of the educational process, to actively involve students in the educational process, to better master the material and, as a result, to achieve high educational results.

References

1. Speech of the President of the Republic of Uzbekistan Shavkat Mirziyoyev at the ceremony dedicated to the Day of Teachers and Coaches, 30.09.2020 <https://sudyalaroliykengashi.uz/uz/reports/211>
2. Uzbekistan Republicsi President Shavkat Mirziyoyevning Birlashgan Millatlar Tashkiloti Bosh Assambleyasining 78th sessionsidagi nutki, 09.20.2023 yil <https://president.uz/uz/lists/view/6677>
3. Uzbekiston Respublikasi Prezidenti Shavkat Mirziyoyevning Oliy Majlis va Uzbekiston Khalqiga Murozhaatnomasi, 12/20/2022 yil <https://president.uz/uz/lists/view/5774>
4. Kirillov AV, Ushakov DS, Vinichenko MV, Makuchkin SA, Melnichuk AV Career Opportunities for the Management's Personnel Reserve. Eurasian Journal of Analytical Chemistry, 2017, 12(5b), 723-733. DOI 10.12973/ejac.2017.00205a



5. Recommandation du Parlement européen et du Conseil du 23 avril 2008 établissant le cadre européen des
6. Federal Law “On Education in the Russian Federation” dated December 29, 2012 No. 273-FZ.
7. Stolper OA Walter A. Financial literacy, financial advice, and financial behavior // Journal of business economics. 2017. No. 5. R. 581–643.
8. Eskindarov M.A. The main criterion of a university is the demand for its students // Money and Credit. 2012. No. P. 3–9.
9. Kirillova N.V., Tsyganov A.A. Insurance education at the Financial University under the Government of the Russian Federation // Corporate Economics. 2015 No. 4 (4).P.69-74 10.
10. Kirillova N.V. Harmonization of professional and educational standards in personnel training for the national insurance system // XVII International Scientific and Practical Conference “The Future of Russian Insurance: Assessments, Problems, Growth Points”, 2016. pp. 744-750
11. Gryzenkova Yu.V., Kirillova N.V., Tsyganov A.A. Design of basic educational programs for training sellers of insurance products taking into account the requirements of modern professional standards // Alma mater (Bulletin of Higher School). 2016. No. 4. P. 58-65.
12. Baymirzaev D. N. Improving the production risk management system in the economic activities of farms // Economy and Society. – 2022. – No. 5-1 (96). – P. 932-940.
13. Baymirzaev D. N., Khoshimova N. Kh. Farmer h̄yshaliklarida ishlab chikarishni diversificationlash asosida hosildorlik khatarini minimalashtirish ȳllari // Journal of Innovation in Economics. – 2021. – T. 4. – No. 4.

