

Important Strategic Features Of The Formation Of Students' Financial Literacy

**Asqarov Abrorjon
Hayitmazayevich**

Namangan state university, independent researcher,
Abrorjonasqarov86@gmail.com

**Foziljonova Niholaxon Fayoz
qizi**

niholakhon06@gmail.com

**Nasrullayev Omonulloxon
Nodirjon o'g'li**

omonulloxon0408@gmail.com
Faculty of Economics, Management in finance
Phase 2 students

ABSTRACT

This research is aimed at determining the level of financial literacy of young people and analyzing the factors that influence their financial understanding. During the study, a survey was carried out through Google forms, drawing up 15 questionnaires to determine the financial understanding of students, teachers, schoolchildren and other professions. The results of the survey focused on identifying the respondents' views on financial freedom, success, wealth and investment, as well as developing recommendations necessary to improve their financial knowledge.

Keywords:

financial assets, financial liabilities, financial culture, financial literacy, financial freedom

Annotation.

Keywords:

Introduction. Financial literacy is one of the important factors affecting a person's economic stability and independence. Lack of financial knowledge in society leads to problems such as increased debt, misinvestment, and poverty. This study analyzed the financial understanding of young people and explored their views on financial success and freedom. In our study, we tried to find answers to the following questions. That is, the level of financial literacy among young people, ways to achieve financial success, and how correctly young people's concepts about credit and borrowing were formed. Various trends were observed through our surveys.

Literature review. This article is based on the analysis of the research of researchers S.V. Brovchak, M.A. Selivanova, E.N. Sochneva, O.V. Firsanova, A.A. Tsyganov, V.G. Shubayeva, which shows that 4 out of 7 Americans are financially illiterate and more than half of them say that they cannot solve their financial problems. In fact, only 34% of Americans can answer at least four of the five basic questions on financial literacy. When analyzed by region, Virginia, Utah, and New Hampshire are the most financially literate states, while Mississippi, Alaska, and Louisiana are the least financially literate.[S. V. Brovchak, M. A. Selivanova, E. N. Sochneva, O. V. Firsanova, A. A. Tsyganov, V. G. Shubayeva, "Issues of increase in financial

literacy of students of higher educational institutions of financial and economic orientation" *Perspectives of Science and Education*. 2019. 5 (41)] The life cycle of any person includes certain events for which it is necessary to prepare financially. Japanese scientists from Nagoya University and Hiroshima University have identified a connection between understanding the patterns of the financial system and stress.

People who understand finances are less prone to stress and anxiety, experts say. It doesn't matter whether they are rich or not. Such analyzes can be seen that we can see that financial knowledge is important for everyone.

Methods. This article involved 75 respondents. Of these, 34 were male (45.3 percent), 41 were female (54.7 percent). When analyzing the respondents by age, 52 (69.3 percent) were between the ages of 11 and 20, 20 (26.7 percent) were between the ages of 21 and 30, and 3 (4 percent) were between the ages of 31 and 40.

When asked about their current employment, 55 (73.3 percent) were students, 9 (12.0 percent) were teachers, and 11 (14.7 percent) were employed in other jobs. Most respondents were students, and some respondents were engaged in various jobs. The questionnaire consisted of 15 questions that helped assess the financial understanding of 75 respondents. The study used empirical research methods to study respondents. That is, the respondents' financial knowledge was observed, compared, measured, and experienced.

Results. We were interested in the respondents' opinions on financial freedom. Of the 75 respondents, 26 (34.7 percent) associated receiving a high salary, 11 (14.7 percent) obtaining bank loans, 19 (25.3 percent) finding a good job, and the same number of respondents associated creating assets and avoiding debt with financial freedom. This shows that most people measure financial freedom in terms of money.

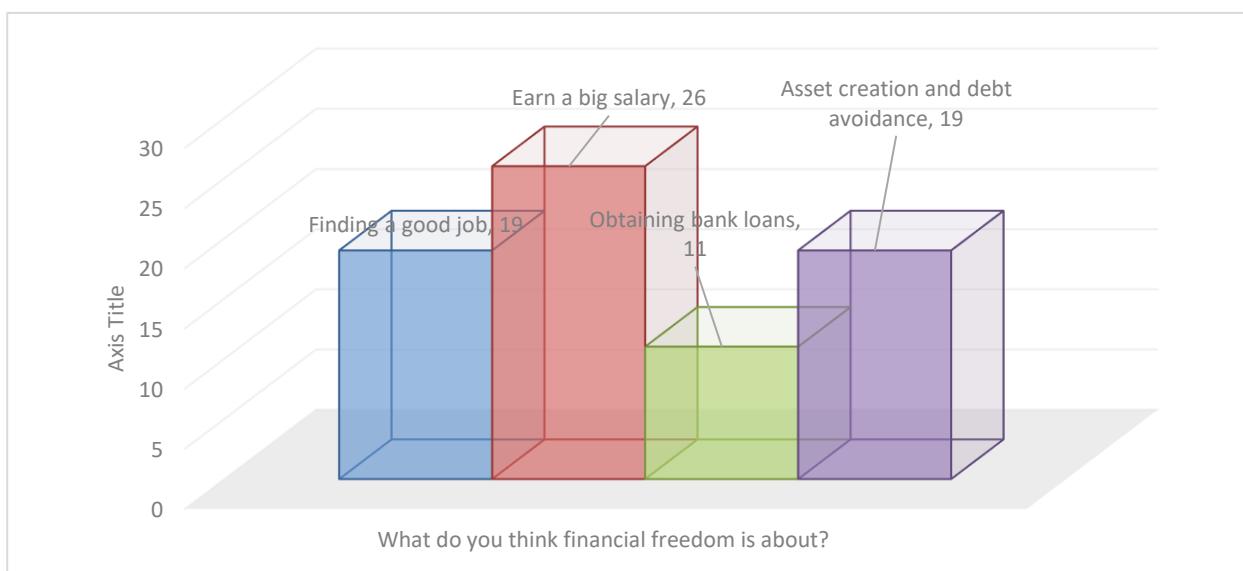


Figure1. Histogram of respondents' opinions on financial freedom
(Developed by the author)

44 percent (33) of respondents said that education is the key to financial success. Another 22.7 percent said that building assets, 16 percent said that getting a loan, and 17.3 percent said that a salary is the key to success.

In his book "Rich Dad Poor Dad," Robert Kiyosaki emphasizes the concept of building and managing assets as the main key to financial success. [Robert T. Kiyosaki and Sharon Lechter, "Rich Dad Poor Dad" 1997] Rich people use money not to work, but to build assets and generate a passive income stream. According to him, a salary provides only short-term financial stability, while getting a loan can lead to financial difficulties if mismanaged. And while education is important, it must be reinforced with sound

financial knowledge. Therefore, building assets is the most important factor in achieving financial success.

The lives and careers of most successful people show that the key to success is the correct distribution of time.

Why do some people become world-famous businessmen and leaders capable of changing the world, while others, despite all their hard work, cannot move from one point to another? The reason for this is often overlooked, says the World Economic Forum.

Successful businessmen invest their time in things that will provide them with new knowledge, creative decisions and strength in the future. At first, their success may not be noticeable, but in the end, as a result of long-term investments, they reach unprecedented heights. [<https://kun.uz/news/2018/11/26/muvaffakiatga-erisgan-sahslaring-6-siri>] For example, the respondents' opinions about financial success were studied. This gave us the basis for further analysis.

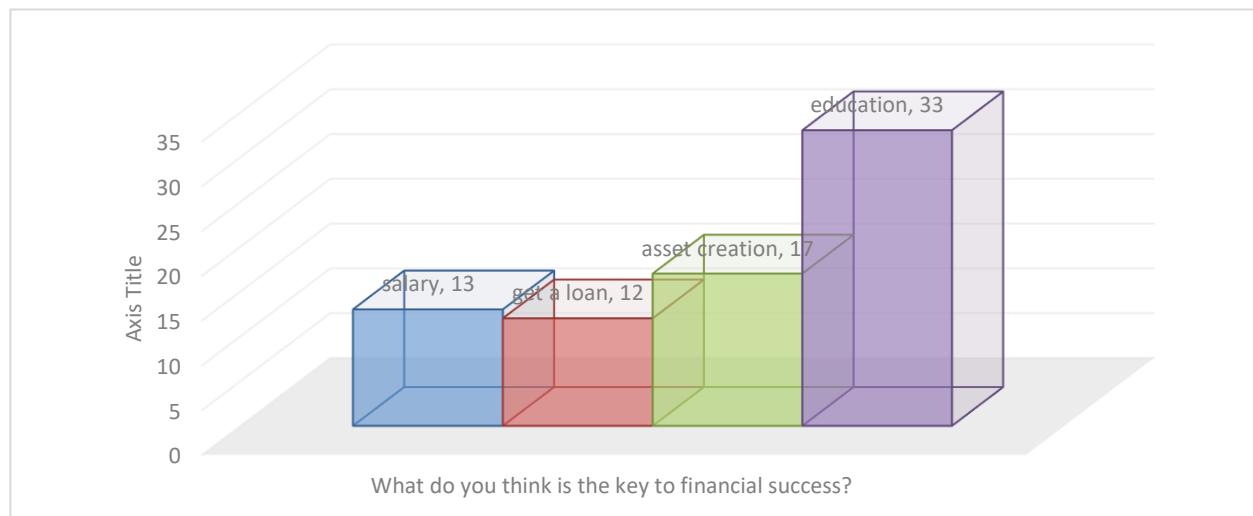


Figure 2: Financial Success Thought Diagram
(Developed by the author)

In particular, the majority of respondents, 33 (44.0%) believe that the reason for being rich and financially successful is financial knowledge, 17 (22.7%) indicated that it is the creation of assets, 12 (16.0%) indicated that it is obtaining credit, and 13 (17.3%) indicated that it is a salary. Although 22.7% of respondents gave the correct opinion, it was found that the remaining respondents did not have enough knowledge about financial success.

However, in Warren Buffett's experiments, despite owning companies with hundreds of thousands of employees, he did not devote his time to work full-time. According to the billionaire, he spends 80% of his working time reading books and thinking. The time spent on this provides him with the knowledge necessary to make the right decisions and successfully run a business. It is evident that when comparing respondents' opinions on financial success, 17 respondents (22.7 percent) said that creating

assets is the key to wealth and financial success, and 33 (44.0 percent) said that financial literacy is the key to being wealthy and financially successful.

It is noteworthy that Benjamin Franklin asked himself every morning: "What good deed should I do today?" And every evening he ended his day with the question "What good deed did I do today?" Steve Jobs stood in front of the mirror and wondered, "If today were the last day of my life, would I do what I planned to do?" In addition, Bill Gates, one of the richest people in the world, also has a favorite resource for reading books. Winston Churchill spent several hours a day reading biographical, historical, economic and philosophical books, Theodore Roosevelt read 1 book on busy days and 2-3 on free days, Mark Cuban read more than 3 hours a day, billionaire David Rubenstein read 6 books a week, and Elon Musk read 2 books a week in his youth. Additionally, Disney CEO Bob Iger wakes

up at 4:30 a.m. every day to read. It can be concluded that reading improves memory, increases empathy, and reduces stress levels, thus helping us achieve our goals.

Conclusions and recommendations. This study provides the following important conclusions:

1. Financial education needs to be strengthened, special courses and trainings should be conducted to increase the ability of young people to make financial decisions.
2. It is necessary to provide correct concepts about credit and debt, it is important to provide information to prevent the rational use of credit and incorrect debt strategies.
3. It is necessary to provide more information about capital and asset creation, young people should learn more about business and investment opportunities.
4. It is necessary to develop guidelines for preventing financial mistakes. The main financial mistakes of respondents should be analyzed and strategies for their prevention should be developed. It would also be useful to develop interactive educational programs to increase financial knowledge.

In my opinion, insufficient financial literacy negatively affects not only the personal well-being of the population, but also the economy as a whole. Thus, low financial literacy also affects the desire and propensity of people to use financial services, which slows down the development of the retail financial segment, and the actions of unprepared customers can undermine the stability of the financial sector. According to Van Horn, D., financial decisions related to the well-being of an individual are considered to be various management decisions. In my opinion, they are characterized by the following features:

- Goal orientation is the orientation towards achieving a goal or a system of goals,
- Reality is characterized by the availability of information about the state of the situation or the object (subject) about which the decision must be made,
- Alternativeness means the presence of options for choosing a solution,
- Goal is the focus on an object or subject;

-Consistency- means that all new decisions should be related to previously made (relevant) decisions;

-Authority- is understood as compliance with the rules, norms and powers provided for in a particular situation;

-Timeliness, that is, making decisions in a timely manner, both before a certain time and without delay.

Financial decisions are made in various areas of human activity. The specifics of financial decision-making, methods for developing a solution and the expected effect of its practical application depend on which typical group this decision belongs to.

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