

THE ROLE OF FINANCIAL LITERACY IN IMPROVING THE STANDARD OF LIVING OF THE POPULATION AND ITS IMPACT ON ECONOMIC DEVELOPMENT

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Abstract

We know that financial literacy is a set of knowledge and skills that a citizen needs to take an active position in the market of financial products and services, to improve the financial well-being of himself and his family members in society.

Key words

financial literacy, economic and financial education, financial culture, financial services, human well-being and quality of life, knowledge, mass media, economic policy.

Enter. One of the most important tasks, such as raising legal consciousness and legal culture in society, forming a high level of spirituality of society, is the issue of increasing financial literacy of the population and developing economic knowledge. It is natural to ask why the issue of financial literacy is becoming so important today . Because in the years of independence in Uzbekistan, the deepening of reforms aimed at the formation of a social market economy and the requirements for the modernization of the economy prove the need to form and increase the financial literacy of the population. It is a natural phenomenon that active people in every social network feel that today's world is full of various information, true and false information, messages and tricks that are difficult to fully understand at first glance.

It is through these sources that many information attacks are organized and fake information is distributed. This may be the result of the actions of groups that aim to divert public attention , divert public opinion, or convince netizens of non-existent things. The most popular method in this regard is financial pyramids. QUEST NET, Straus House, Auto 60 months, Mono, BEVERLEE or "Ahmadboy" incident and many more pyramids are examples of this.

In this situation, our government focused on increasing the financial literacy of the population, taking into account that it is a necessary part of the rapid development of any country involved in international economic relations,

including modern Uzbekistan, only by increasing the level of financial literacy of the population. In such a situation, one of the main goals that should be set by the government is to "arm" citizens with information and educational tools for effective management of personal funds and, as a result, to make a significant change in the socio-economic life of the country.

Relevance of the topic. "Financial literacy is a set of knowledge, skills and values that lead to the improvement of a person's well-being and quality of life in the field of financial behavior and culture; is a degree that represents the ability and determination to manage personal finances through short-term decisions and long-term financial planning, taking into account changes in life events and economic conditions, understanding of basic financial concepts, and should have an existing system. In order to increase the effectiveness of the financial decisions made by the people mentioned in this opinion, the urgency of introducing the system of financial literacy of the population is determined by the following reasons:

Change in the composition of income sources of the population . The increasing share of income from small business, family and individual entrepreneurship in the structure of population income leads to a sharp increase in the need for effective management of savings and investments and proper planning of expenses.

2. The emergence of a large number of private entrepreneurs . Such entrepreneurs solve various management issues in their daily work: managing financial flows and material assets, financial accounting, planning income and expenses, forming insurance funds, optimizing the purchase of material resources, using banking services, investing savings, obtaining loans, such as debt management.

3. A sharp increase in the population's need for long-term savings and loans. In the conditions of the market economy, it is necessary to independently implement the following functions of population savings : implementation of additional pension funds, savings to pay for medical and educational services.

4. Expansion of opportunities to invest personal savings and manage material assets. In the conditions of the market economy , there are various alternative methods of realization of population savings and investment.

A brief analysis of scientific research on the topic. It should be noted that in recent years significant positive work has been carried out in this direction in our country. An example of this is the implementation of the project "Increasing the financial literacy of the population in Uzbekistan" in accordance with the decision of the Cabinet of Ministers on July 11, 2014. In addition, at the international level,

the Chamber of Commerce and Industry of Uzbekistan, in cooperation with the World Bank Group Department of Finance and Markets, the project on strengthening financial infrastructure in Central Asia and Azerbaijan (ACAFI), a program to increase the financial literacy of SSP trainers and employees, Trade - the program "Increasing the financial literacy of entrepreneurs and the population" was launched by the chamber of industry and the "Norma" professional development center.

is affected by changes in the financial market parameters, while the population's demand for financial services is seriously affected by socio-economic and demographic factors. Changes in the offer of financial services are reflected in:

- sharp increase and complexity of types of financial services;
- financial service organizations ;
- providing financial services ;

expansion of target groups of consumers of financial services. The following factors influence the demand for financial services :

– increase in demographic weight. This principle is leading to the transition from defined contribution pension system to defined contribution pension payment in developed countries and increasing the level of responsibility of economic agents for their pension funds;

increase the level of personal income of the population ;

b) increasing population stratification.

are on the agenda and where measures to solve this problem are being implemented (Italy, the Netherlands, Austria, Poland, the Czech Republic, India, Russia);

financial education and raising the level of financial literacy of the population are planned to be put on the agenda and some measures are being implemented in this regard. The goal of the national strategy and programs for increasing the literacy of the population implemented in these countries is to understand the essence of money in the daily life of the population and to form the skills to use it effectively in daily life .

"Increasing the financial literacy of the population is one of the most important tasks for banks. Increasing the trade of the population, which is the main customer of banks, serves the stable operation of banks," says Mittias Foss, director of the department of the German Savings Bank Fund. As proof of these opinions, the fact that the Central Bank has signed a Memorandum on mutual cooperation with "IT-Park" ("Directorate of Software Products and Information Technology Technological Park" LLC) in the area of financial literacy, and this memorandum on

the development of financial education considers expansion of mutually beneficial cooperation in the field, serving to unify efforts to increase digital financial literacy of youth and population in the Republic of Uzbekistan as one of its priorities. At the same time, the Finlit.uz information-educational resource was launched by the Central Bank in order to increase the financial literacy of the population. This project aims to create knowledge and skills that will help the citizens of the country choose and use financial services, make rational and responsible financial decisions, and correctly assess opportunities in the financial market .

also decided to introduce the "Financial Literacy" training course as a subject for students of general education schools and non-economic higher education institutions. Within this discipline, it is planned to develop a teaching methodology for proper management of funds , making financial decisions, including financial instruments. In addition , it is planned to evaluate the effectiveness of the training course by organizing the "Olympiads of Financial Literacy" .

In addition, the document stipulates the implementation of all measures to increase the financial, including investment, literacy of the population and business entities within the framework of the national strategy for increasing the popularity of financial services for 2021-2023 .

If we pay attention to international relations , systematic work with the Scientific and Research Financial Institute of the Ministry of Finance of the Russian Federation is being continued in the field of increasing the financial literacy of the population. One of the things he did for the population was to translate into Uzbek the adventures of the heroes of the famous cartoon "Happy Dolls " and youth-oriented Russian TV series, and to draw the attention of preschool and school-age children to the main issues of financial literacy (personal savings) , financial provision, mutual debt relations) help attract.

A low level of financial literacy for consumers of financial services has the following negative consequences:

- loss of trust in financial institutions due to inefficient decision-making;
- lack of access to financial market advantages ;
- high level of debt obligations of the person;
- public bankruptcy of individuals;
- younger generation negative financial experience;
- tendency of financial service sellers to take risks, bad behavior;
- low level of savings for vital products ;
- pension funds and ineffectiveness of their management.

an obstacle to the development of solvency limits the possibility of financial markets and reduces the efficiency of regulation, restricts the rights of consumers, and prevents the transition to the accumulated pension system based on personal participation. From an economic point of view, the insufficient level of knowledge about financial services means that a large segment of the population is not attracted to their consumption and limits the level and quality of savings, investments, which determine the potential for economic growth. The development of the modern market economy requires citizens to participate in pension savings, insurance and mortgage systems. Because the population's participation in these systems helps to solve issues such as pension savings, social and medical insurance, providing accommodation and improving the quality of education. Expansion of the savings typical for the middle class and its effective use ensures socio-economic stability in the country, is the basis for achieving macroeconomic balance and strengthening the financial system. The high propensity of the population to save, the wide use of savings and insurance levers imply a high level of financial literacy of the population. Such literacy allows the population to cooperate closely with financial institutions, to use the services of the banking and insurance sectors, and the pension insurance system on a large scale and efficiently. By increasing their financial literacy, middle-class households effectively use their personal budgets, make personal financial decisions based on their long-term goals, avoid excessive personal debt levels, differentiate between the services and products offered by financial institutions, and avoid excess risk. -risks are avoided. Ensuring the well-being of the population at every stage of life is largely dependent on the effectiveness of personal financial decisions. This reflects the importance of financial literacy in the long-term development of the country.

Discussion and results. There are economic facts that a high level of financial literacy in people can ensure proper investment, formation of a permanent source of income and prudent behavior in order to cover their financial needs in old age.

Financial illiteracy of the population has a negative impact not only on personal well-being, but also on the entire financial sector. Therefore, as a suggestion, it should be noted that we all know that education is the most important system for a person to acquire knowledge and understanding in a certain field. One of the issues we need to put into practice is to develop the most optimal ways to provide households, families and individuals with the knowledge and skills to create and plan their own budgets. In addition, the development of various information and educational programs on financial literacy intended for different social groups of the population, as well as their regular delivery to relevant

segments of the population in social networks and mass media that attract the most attention of the population. is one of the important measures.

Increasing the financial literacy of the population is one of the priorities of the state economic policy of the USA, Great Britain and Australia. Today, programs to increase financial literacy of the population are implemented in the USA, European Union countries, Australia, India, Indonesia, Malaysia, Russia, the Czech Republic and other countries. In these countries, the financial literacy of the population is gaining special importance in connection with demand and supply. On April 13, President Shavkat Mirziyoyev signed the decree " On measures for further development of the capital market ".

Summary. Currently, the level of financial literacy in our country is at a certain level, but it is still not enough, and this problem is especially acute among individual social groups (women, the elderly and people with a low level of education). The general complication of financial relations, the increase in the responsibilities imposed on citizens regarding pension provision by the state, methods of obtaining loan funds, etc. are additional factors of risk.

Humans experimentally develop optimal movement algorithms as part of their daily activities. However, important events (for example, getting a mortgage loan, getting an education, forming long-term investments) are rare because human experience is often absent. Especially here the importance of specific financial knowledge obtained from outside is shown. Self-assessment of financial literacy is a common basis for research. However, there are other approaches with greater objectivity. For example, in Sweden, they use a method based on examining the effects of three different types of financial "mistakes" people make: insufficient diversification, inertia in risk-taking, and the disposition effect in stock ownership.

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