

IMPROVING UNIVERSITY STUDENT'S FINANCIAL LITERACY

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The level of students' financial literacy is analyzed. It was found that for a significant part of students, issues related to the rights of consumers of financial services are difficult to understand. Most students have fragmented ideas about most institutions of the financial market; models of proper interaction with financial organizations have not been developed. The situation is complicated by the fact that students do not have the necessary skills to protect the rights of consumers of financial services. There is a lack of trust in the main financial institutions, primarily non-banking credit organizations and investment institutions. Boys and girls, in a different way, have not developed the skills of personal long-term financial planning. Girls are more likely than boys to have a low level of financial discipline. A significant part of students does not show interest in pension legislation. In addition, the majority of students do not have a developed strategy for creating their future material well-being. As part of the study, a survey of teachers from several universities was carried out. It was revealed that a significant part of teachers is characterized by paternalistic practices. The paternalistic positions of teachers do not contribute to the development of skills of students in responsible behavior for their personal financial decisions. Based on the results of the study, measures aimed at improving financial literacy and the level of personal well-being of students, including teachers, are proposed.

Keywords: financial culture, financial attitudes, financial knowledge, financial behavior, students, universities

The relevance of research

Recently, an increasing number of positional experts note that in the country there is an increase in the number of people with a low level of basic financial knowledge, as a result there is an increase in past due loans, the growth in the number of criminal cases initiated in the field of mortgage, a drop in the quality and standard of living of the population and several others negative trends. The results of numerous sociological studies demonstrate that short-term financial planning, inability to adequately assess risks, a desire to live upon the dreams, etc., are characteristic of many groups of country population [1, 2]. The problem is becoming more complicated by the fact that these trends are observed among a well-educated part of the population, among students, which indicates problems with financial education in universities and economic socialization in general.

Purpose of the study

Based on the above, we conducted a sociological study to analyze the financial literacy of university students, and to develop proposals aimed at improving the personal well-being of citizens, especially youth.

Empirical base of research

In 2018-2019 the survey was conducted for the students of:

- Yaroslavl State Pedagogical University named after K.D. Ushinsky (YSPU);
- Yaroslavl State University named after P.G. Demidov (YSU);
- Yaroslavl branch of the Moscow State University of Railways of Emperor Nicholas II

(after all associations – a branch of the Russian University of Transport (MIIT));

– Oryol branch of the Russian Presidential Academy of National Economy and Public Administration (RANEPA).

Quota sampling. A sample of $n = 886$. Variable quotas: gender, age, university.

A series of biographical interviews of students $n = 10$ were organized.

In-depth interview of teachers $n = 20$.

Survey of positional experts, $n = 10$.

A secondary analysis was carried out on the basis of data and publications of the results of studies carried out by the Institute of Sociology of the Federal Scientific Research Center for Science and Technology of the Russian Academy of Sciences (Moscow), Russian Public Opinion Research Center (VTsIOM).

Author hypotheses

1. Most students have fragmented ideas about most financial market institutions; models of proper interaction with financial organizations have not been developed.

2. There is a lack of trust in the main financial institutions, primarily non-banking credit organizations and investment institutions.

3. Boys and girls equally have undeveloped the skills of personal long-term financial planning.

4. Girls are more likely than boys to have a low level of financial discipline.

5. The majority of students do not have a developed strategy for creating their future material well-being.

6. A significant part of students does not show interest in pension legislation.

The methodological basis was the scientific works of Baburkin S.A., Koryakovtseva O.A., Lymarev A.V. [3, 4, 5].

Results of the study

First, we studied how our respondents assess their level of financial literacy (Table 1).

Table 1

Answers to the question: "How do you assess your level of financial literacy?"
(in %, of the number of respondents)

Answers	Students, n = 886	
	Male n = 376	Female n = 510
As excellent	12	8
As good	37	19
As satisfactory	31	42
As unsatisfactory	20	31

Girls rate their level of financial literacy lower than boys. At the same time, it was established that the older students are, the higher they evaluate their level of financial literacy.

Considering the fact that 20 % of boys and 31 % of girls do not assess their level of financial literacy satisfactorily, we decided to ana-

lyze how students increase their level of financial literacy (Table 2).

82 % of boys and 70 % of girls said that they mostly learn about the main economic and financial events in the country and in the world from television news of the first channel or from a news feed on social networks. At the same time, this group of students indicated that they would learn about what is happening in the world of finance and economics only if they accidentally turned on the TV and saw news that reviewed economic news or accidentally saw information in a news feed on a social network.

At the same time, only 12 % of boys and 8 % of girls indicated that they are tracking this news purposefully.

The most famous channel for respondents, after the news, is RBC, it is watched by 34 % of boys and 37 % of girls. This category of people is primarily interested in news about exchange rates and stocks, only 12 % of young men and 8 % of girls indicated that they look at forecasts and analysts' comments about the development, and the state of affairs in Russian and world stock exchange systems.

Table 2

Answers to the question: "Do you increase your level of financial literacy? If so, how?"*
(in %, of the number of respondents)

Answers	Students, n = 886	
	Male n = 376	Female n = 510
From time to time (by chance) I watch and listen to the news of the first channel on TV or read a news feed on a social network	82	70
I watch RosBusinessConsulting TV channel (RBC) about exchange rates	34	37
Interested only when trying to use any financial product	21	28
I do not improve my knowledge of financial matters	17	28
I know purposefully about economic and financial events in the country and in the world from the news feed, any social networks, from the television news of the first channel	12	8
I watch RosBusinessConsulting (RBC) forecasts and comments of analysts about financial markets (stock, derivatives, foreign exchange, money, capital markets)	12	8
As a reference book I use one of the books on improving financial literacy: – Schaefer B. The path to financial freedom; – Kiyosaki R. Cash flow quadrant; – Clayson D.S. The richest man in Babylon; – Rittenhouse L. Buffett – to investors. A guide to materials from Warren Buffett's correspondence with Berksh Fund shareholders; – Savenok V. Million for my daughter. A step-by-step accumulation plan. Natural laws in business; – Paranich A.V. Personal financial plan. Instructions for compilation; – Konash D. Save and increase. How to correctly manage your savings profitably.	11	6
I am interested in how to get a loan	10	36
I am interested in how pension savings will occur, and I am interested in how to control these pension savings	5	–
Other	5	7

Note: * The total percentage in the vertical might be more than 100, because respondents could indicate several answers.

It was established that the higher the level of well-being of the student's family (his/her parents), the more systematically and purposefully he/she monitors news in the field of finance.

Answering to an open question in the questionnaire on the handbook, respondents mostly mentioned one of the top 10 books sold in well-known bookstores. Verification questions in the questionnaire made it possible to establish that many of the books surveyed indicated as a handbook, only by the fact that they were heard and in order to impress, which is interpreted as a desire to show oneself as a modern enough (trendy) and educated person.

It was found that students from the group of respondents rated their level of knowledge as "excellent" and "good" to a greater degree tend to increase their level of financial literacy, unlike students who assess their knowledge as "satisfactory".

Further, we would like to provide data on the material condition of the families of our respondents (Table 3).

Table 3

Level of material well-being
(in %, of the number of respondents)

Answers	Students, n = 886	
	Male n = 376	Male n = 376
No, sometimes I have to borrow from relatives and friends	55	47
Yes, I have enough money for everything and even remains	17	22
Yes, I have enough money for all needs	8	6
Yes, I have enough money, but with difficulty	7	12
No, I save and refuse buying everything in myself	7	8
Other	6	5

Most students have a discrepancy in the level of consumption with existing incomes, since 55% of boys and 47% of girls periodically borrow money from relatives and friends.

Next, we analyzed whether students, especially the poor ones, are trying to improve their level of material well-being. For this reason, we were primarily interested in whether students earn extra money in their free from study time? (Table 4).

As can be seen from the survey, 69% of boys and 30% of girls do not work in their free time. 14% of boys and 20% of girls who indicated that they belong to low-income groups

of the population, despite their financial situation, do not seek to find additional systematic income.

Table 4

The answer to the question:
"Which group of students would
you most likely associate yourself with?"
(in %, of the number of respondents)

Answers	Students, n = 886	
	Male n = 376	Male n = 376
Do not receive a scholarship and do not earn extra money (live on the money of their parents, on the income of the partner)	69	30
Receive only a scholarship	14	33
Receive a scholarship and earn extra money in the free time from basic studies	11	17
Do not receive a scholarship, but work in the free time	6	20

It was established that students from wealthy families are able to live within their means to a greater extent than students from low-income families. So, all students from the group of wealthy respondents indicated that they have financial reserves in case of unforeseen difficulties. Very rarely borrowed and prefer not to lend to anyone, when buying a product or service, analyze alternative offers.

Next, we studied whether students carry out long-term budget planning (Table 5).

Table 5

The answer to the question: "Do you carry out family budget planning for the long term?"
(in %, of the number of respondents)

Answers	Students, n = 886	
	Male n = 376	Male n = 376
I save money to buy an apartment	-	-
I save money to buy a car	6	17
I save money for a wedding	-	6
I save money so that I can support my children right after their birth	-	-
I save money for the education of children	-	-
I am interested in what the future pension is made of	5	-

Only 6% of boys and 17% of girls save money to buy a car. Only 5% of young men are interested in the mechanism of forming a pension.

Next, we analyzed whether the parents of students carry out the planning of the family budget for the long term (Table. 6).

Table 6

The answer to the question:
“Do your parents carry out family budget planning for the long term?”*
(in %, of the number of respondents)

Answers	Students, n = 886	
	Male n = 376	Male n = 376
Parents save money to improve their living conditions	12	15
Parents save money to buy an apartment for their children	5	10
Parents save money to buy a car for themselves or to change a car for a new one	12	9
Parents save money to buy a car for their children	–	5
Parents save money for their children's wedding	–	17
Parents save money for the birth of their grandchildren	6	7
Parents save money to educate their grandchildren	6	12
Parents are interested in what the future pension is made of, and save money for their life after retirement	33	53

Note: * The total percentage in the vertical might be more than 100, because respondents could indicate several answers.

As can be seen from the answers, only 17% of the girls said that their parents save money for the wedding. 6% of girls save money for a wedding on their own (Table 5). 5% of boys and 10% of girls indicated that parents save up money to buy an apartment for them.

Students' lack of need for long-term planning is associated with parental programming. On the other hand, perhaps it might be also linked to the lack of awareness in the field of economics and finance? To test this hypothesis, we further studied whether students receive vital knowledge in the field of economics and finance as part of their studies at the university (Table 7).

82% of boys and 76% of girls noted that they do not receive the necessary economic and financial knowledge as part of their studies at the university. We have to look for the necessary information in the media, etc. The majority of 82% of the young men surveyed, 76% of the girls indicated that, in their opinion, they were not given the knowledge that is actually in demand in everyday practice.

Table 7

The answer to the question:
“Do you receive knowledge
in the field of economics and finance
as part of your studies at the university?”
(in %, of the number of respondents)

Answers	Students, n = 886	
	Male n = 376	Male n = 376
Necessary economic and financial knowledge is not given. I have to look for the necessary information in the media, etc.	82	76
I get the necessary knowledge	12	8
Knowledge is given in the field of economics, including in the field of finance, but it is clearly not enough	6	16

Next, we found out which financial institutions our respondents faced in their life activities. It was found that over the past year, 11% of boys and 17% of girls tried to take a loan from the bank. 18% of boys and 19% of girls applied for financial assistance to microfinance organizations, and more than once. A significant part has a negative attitude towards financial institutions. The lack of trust in the main financial institutions, primarily non-banking credit organizations and investment institutions, is directly associated with students with personal negative experience or with negative experience gained by their parents and acquaintances. A significant part of the girls noted that they can not discipline themselves financially. Typical answer for an open question in the questionnaire is: “*I tried to control my income and expenses. Either to write down my income and expenses in a notebook, or set the framework for expenses in Sberbank online, but at the end of the month, no matter how I control my expenses, I have to borrow all the time either from my mother or from my boyfriend*”.

As part of the survey, we invited respondents to undergo testing to identify the level of knowledge in the field of economics and finance.

As a result, it was found that 65% of boys and 82% of girls have poor ideas about the main types of deposits in the bank. 23% of young men could not even write the types of deposits in the bank. Only 12% of boys and 18% of girls were able to correctly list all the features of the demand deposit and term deposit. Only 76% of boys and 59% of girls know about the essence of state employment policy.

It was established that the respondents did not learn the issues related to insurance well enough. 45% of boys and 52% of girls know about personal property insurance. Only 23% of boys and 21% of girls have an idea about borrower liability insurance for loan repayment. Most of the respondents 87% believe that the standard of living of the population is determined by the level of wages, that is, they believe that wages must be constantly increased. And they don't understand that the level and quality of life is determined primarily by the growth in the production of goods per capita.

It is gratifying that students have excellent knowledge of such concepts as GDP, GNP, IMF, and WTO. A fairly high level of knowledge was found among students in the field of state budget formation. Also, a high level of theoretical training on issues related to the types of state social security for the low-income population (benefits, etc.).

The respondents have fragmentary ideas about modern forms of remuneration, as well as piecework and time wages. Students were unable to indicate how direct-piece-work wage differs from bonus one, and also to list how simple-time-wise wage differs from time-bonus one.

In the field of business and entrepreneurship, respondents have a good theoretical background in terms of the nature of entrepreneurship, classification of entrepreneurial activity, and what is pleasantly surprising, good knowledge of the legal forms of entrepreneurial activity. On the other hand, students do not have sufficient knowledge of the sources of financing a business. The situation with knowledge in the field of small business is even worse. If the majority of students clearly define the difference between small and medium-sized businesses by the number of employees, the advantages and disadvantages of small business could not be fully listed. Respondents were also unable to list in detail the specifics of small enterprises according to the purpose of the products, by the features of the work. Only 11% of boys and 6% of girls listed all the benefits to the state and society from small enterprises. 10% of boys and 7% of girls were able to list all forms of state support for small businesses. Half of the respondents have superficial knowledge of the basic economic indicators of the company. 33% of boys and 25% of girls do not have a proper understanding of explicit (accounting) and implicit costs. Excellent knowledge of the company's costs in terms of resource consumption (fixed and variable) was discovered.

Very superficial knowledge of the stock market was revealed, in particular more than half of the students do not have knowledge of pricing in the stock market. And again, it can be noted, despite ignorance in one sphere, ideal knowledge in the other one suddenly appears. So, the vast majority of students have a clear idea of the types of shares.

56% of boys and 37% of girls have knowledge in marketing and management.

Next, we analyzed whether students are given the necessary skills in the field of economics and finance as part of the development of an educational program at a university (Table 8).

Table 8

The answer to the question:
 “Do you receive the skills and abilities
 necessary in the field of economics
 and finance as part of your
 studies at the university?”
 (in %, of the number of respondents)

Answers	Students, n = 886	
	Male n = 376	Male n = 376
Necessary skills and abilities are not given	80	75
I am able to protect my rights if they are violated	8	15
I can search and find the necessary information in the financial market	6	5
I am able to analyze a loan agreement, etc.	-	-
I can compare offers from different companies	6	5
I am able to calculate my future retirement	-	-
Other skills		

As can be seen from the survey, a significant portion of students 80% of boys and 75% of girls do not receive the necessary skills in the field of economics and finance. The situation is even worse if we consider the level of literacy among students in secondary schools. In particular, a sociological study conducted among students of secondary schools No. 11, 12, 22, 36, 43, 44, 51, 55, 60, 80, as well as students of the gymnasium 1, 2 and 3 of Yaroslavl in the period 2015-2017 years showed that “students have a low level of knowledge in the field of economics, including a low level of financial literacy, which is particularly associated with parental programming. In a significant proportion of students, parents adhere to paternalistic practices” [6].

The conclusion is as follows. It is a must to ensure the necessary (basic) level of financial literacy of students at school and to contribute to the development of models for proper interaction with financial organizations.

Already as a response to the situation at the end of 2017, the Government of the Russian Federation approved the Strategy for increasing financial literacy in the Russian Federation for 2017-2023. [7]

Then, as researchers, we were interested in whether students are satisfied with the quality of teaching at the university. Since a number of problems in the development of material in the field of economics can be compensated for by teaching methods. 89% of students explained that teachers of economic disciplines are fluent in the material. When expanding the topic, multimedia accompaniment is used. Traditionally, teachers give problem lectures, lectures together (assistant professor and assistant), lectures in the form of press conferences. Students indicated that all professors in economic disciplines had a degree or academic title.

Below we give the opinion of teachers. Absolutely all teachers noted that they are actively using in the educational process the following methods as:

- the problem lecture;
- the lecture-visualization;
- the lecture with pre-planned mistakes;
- the lecture in a form of press conference;
- the lecture together.

Teachers explained that universities provide the following necessary skills, in particular the ability:

- to search and find the necessary information;
- to study independently;
- to control yourself;
- to work in a team;
- to communicate with a variety of people;
- to work under the guidance;
- to speak in public;
- to work on an interesting project;
- to set a goal.

Teachers noted that they would like to increase their literacy in the field of finance, but low wages (you have to take additional hours in other departments, etc.), workload on educational-methodical, organizational-methodological, educational work does not allow you to complete training more often than it is scheduled. In addition, many continuing education and retraining courses require additional financial costs. It is gratifying that the teachers from YSPU indicate that the university systematically provides conditions for improving

the level of qualification. At the same time, the management of YSPU purposefully allocates funds for advanced training.

Then the teachers were asked to take a test, in which it was supposed to identify what strategies they adhere to in their daily practices, as well as to identify their attitude to paternalism. As a result, it was found that a significant part of teachers are characterized by paternalistic practices.

Below we give the opinion of positional experts.

Positional experts explained that, unfortunately, not all universities currently provide a high level of knowledge in the field of economics and finance, but there are already some universities that actively increase the level of financial literacy outside the framework of mastering the main educational program. For example, in the Institute for the Development of Personnel Potential at YSPU, in addition to university education, students are invited to undergo training in additional educational programs for professional retraining, which students actively seek to take advantage of. As a result, by the end of their studies at the university they have additional skills and abilities necessary for modern life. Experts pointed out that it is important to move away from the paternalistic position in the higher education system. According to them, paternalism works well only in secondary school.

Below, we would like to give some statements from the biographical interviews of our students.

Alexey, 22 years old, 4-year student.

“I just can’t understand how to live within your income. Very often I buy a lot of things, which I do not need subsequently. I heard a lot about the fact that it is rather common to have a lot of loans, but the university does not teach how to take a credit, they do not give the skills of personal long-term financial planning. I heard about continuing education and retraining courses. There are interesting programs there, in particular, those programs that are really in demand in life are offered, but I don’t have the money to study there.”

Anna, 22 years old, 4-year student.

“I entered this university by accident. I thought that it would be easy to study, since I will receive a humanitarian education, not a technical one. It’s not interesting in the classroom, the information that I need, the skills that I need, I don’t get here. You have to sign up for various trainings at your own expense. I’m afraid to speak publicly. I feel shy to defend my interests in the store or in the market. In ad-

dition, I miss legal knowledge. The university gives only superficial theoretical knowledge in the field of law. And I really need the skills to protect my rights in the field of consumption of financial services”.

Egor, 21 years old, 3-year student.

“I thought that higher education would be useful to me. My parents really wanted me to have a university diploma. I attend lectures and seminars, but they teach me things that I will never need in my life. Therefore, I want to take out documents from the university and find a job, but I’m afraid that they will take me to serve in the army”.

As can be seen from the biographical interviews, students realize that they lack the necessary knowledge, skills and abilities in the field of economics and finance, but they do not have the resources with which to effectively compensate their gaps.

Conclusion

During the study, all the author’s hypotheses were confirmed, except for one: *“Boys and girls do not equally have the skills of personal long-term financial planning.”* According to the results, it was found that girls are more serious about their future and to a large extent tend to have financial reserves, or not to save up reserves and spend all available funds on everyday life, but only because of the fact that we are sure of guaranteed support from relatives in the future (there are already reserves and financial savings of the family).

In order to create conditions for further improving the financial literacy of students, it is necessary:

– to conduct sociological monitoring in order to analyze financial literacy among students, as well as to monitor how the strategy of the Government of the Russian Federation, approved in 2017, contributes to the personal

well-being of citizens, as well as promoting the development of the financial market;

– for all-Russian public organization to the society “Knowledge”, to actively interact with various social organizations, including with universities in the field of improving financial literacy;

– to provide for special courses in the curriculum within the framework of which it is possible to form the necessary competencies in the field of economics and finance;

– the paternalistic positions of teachers do not contribute to the development of skills of students in responsible behavior for their personal financial decisions. For this reason, it is necessary to create conditions for systematic advanced training in the field of economics and finance. To do this, either send the leading universities of the country, for example, to Moscow State University, MGIMO, MGTU, RUDN, HSE, St. Petersburg State University, etc., or invite professors from these universities to conduct open lectures at universities of the Yaroslavl region.

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