

FORMATION OF FINANCIAL LITERACY AMONG YOUTH: CHALLENGES AND PROSPECTS

N. Chyhryna, Head of department of international business and marketing

I. Balka, Student PhD in Economics, associate professor

Yanka Kupala State University of Grodno, Republic of Belarus

The article addresses the challenges and prospects of developing financial literacy among youth. It analyzes key issues such as the lack of a systematic approach to financial education, unequal access to educational resources, low motivation among young people, and the impact of digital technologies on financial behavior. Modern trends are highlighted, including the use of digital platforms, mobile applications, and social media to improve financial literacy. Practical recommendations are proposed to enhance financial education through government and private initiatives, as well as the implementation of new technologies and educational programs.

Keywords: Financial literacy, Youth education, Digital financial tools, Financial behavior, Economic education, Financial inclusion, Educational programs, Digital platforms, Financial challenges, Financial empowerment.

Financial literacy is a significant determinant of population well-being. An appropriate approach to the distribution of incoming financial resources is a crucial determinant of an individual's capacity to achieve a comfortable and prosperous life. The teaching of financial literacy represents a significant aspect of the education of modern youth. However, the current process is somewhat vague, with specific systems only existing in a limited number of countries. To illustrate, In Scandinavian countries, In Sweden, 71% of the population is financially literate, and the teaching of investments and budgeting begins at an early age. In the context of our current circumstances, this subject is of significant consequence, as the financial literacy of the younger demographic and young people in general is contingent upon the state of our country's economy in the future.

The relevance of this work is underscored by the fact that today's youth is confronted with a multitude of financial challenges, including those associated with changes in the labour market, the digitalisation of the economy and the expansion of consumer credit. A lack of financial knowledge can result in misguided economic decisions, which ultimately has a detrimental impact on both individual well-being and the stability of society as a whole. The cultivation of financial literacy among young people represents a pivotal element in the development of responsible economic behaviour.

The objective of this study is to examine the current challenges associated with the development of financial literacy among young individuals, to evaluate contemporary strategies for addressing these challenges, and to identify potential avenues for enhancing financial education.

The study's objectives are twofold: firstly, to analyse the primary challenges encountered by young people in acquiring financial competencies; and secondly, to evaluate the potential of digital technologies in enhancing financial literacy.

Theoretical Aspects of Financial Literacy. The theoretical aspects of financial literacy encompass a number of key concepts and areas that define its essence and significance in the modern economy. Financial literacy can be defined as a set of knowledge, skills and abilities that are required to make effective financial decisions. Such abilities include the capacity to manage personal finances, comprehend the fundamentals of saving, investing, lending and insurance, and to recognise the risks associated with financial transactions. In an economy that is undergoing rapid change and technological advancement, the level of financial literacy has a direct impact on an individual's economic well-being and ability to adapt to new conditions.

One of the core theoretical aspects of financial literacy is its inherently complex nature. Financial literacy is comprised of several interrelated components, including economic knowledge (such as an understanding of key economic concepts such as inflation, interest on loans, and risk diversification), financial behaviour (such as the ability to plan a budget, control spending, and avoid excessive debt burdens), and financial attitudes (such as attitudes and motivations related to money management). These components are shaped by a number of factors, including educational programmes, the social environment, family and individual experience. [1]

The most significant aspect of financial literacy formation is associated with fluctuations in financial markets and economic trends. The advent of financial technology (FinTech) and the emergence of novel instruments such as cryptocurrencies, mobile banking, and digital investment platforms have placed young people in a position where they are not only expected to demonstrate a grasp of fundamental financial concepts but also to navigate the intricacies of sophisticated financial products and mechanisms. This broadens the scope of financial literacy, rendering it more dynamic and necessitating the continual updating of knowledge.

A further crucial theoretical consideration is the accessibility of financial education. The approaches to financial literacy education adopted in different countries and regions can vary significantly. In some countries, financial education is integrated into the school curriculum, whereas in others it is provided through independent courses or programmes organised by banks and financial institutions. Nevertheless, the efficacy of financial education programmes is contingent upon the pedagogical approach employed and the capacity to tailor the curriculum to the specific requirements of the younger demographic. [1]

Contemporary theoretical perspectives place considerable emphasis on the utility of digital technologies in the development of financial literacy. The utilisation of mobile applications, online courses, financial simulations and gamification of the learning process can facilitate the engagement of young people in the learning process, thereby rendering it interactive and interesting. This approach is particularly pertinent for the generation that has grown up in the context of digital transformation and has become accustomed to rapid access to information via the Internet.

In conclusion, the theoretical aspects of financial literacy encompass not only the study of economic knowledge and money management skills, but also the analysis of social, psychological and cultural factors that influence financial behaviour. This makes financial literacy an interdisciplinary field that requires input from economists, sociologists, psychologists and educators. [2]

Problems of financial literacy formation among young people. The challenges associated with fostering financial literacy among young individuals can be attributed to a multitude of factors influencing the depth of knowledge, proficiency in financial skills, and the financial conduct

of this demographic. One of the principal issues is the absence of a comprehensive and systematic approach to financial education. In the majority of educational systems, financial literacy is not a mandatory component of the curriculum at either the secondary or post-secondary level. This results in young people being deprived of the fundamental knowledge required to effectively manage their personal finances, which ultimately impairs their capacity for financial independence and the ability to make well-informed economic decisions in the future.

A further significant issue pertains to the unequal accessibility to financial education. The availability of quality educational programmes for young people varies considerably depending on the region or country in question. In economically developed countries and large cities, for instance, there are often more opportunities to learn financial fundamentals. This results in an imbalance in the level of financial literacy among different social and economic groups. To illustrate, young people from economically disadvantaged families or rural areas are more prone to encounter difficulties in accessing educational resources, thereby intensifying their financial vulnerability. [1]

Furthermore, a lack of motivation to learn financial literacy represents a significant challenge. It is frequently the case that young people do not perceive an immediate necessity to acquire financial capabilities, given that financial matters appear to be remote from their everyday existence. A common perception among young people is that financial management is a concern that arises only in later adulthood, when individuals face more tangible economic challenges such as purchasing a home, taking out loans, or planning for retirement. This disposition frequently results in young people failing to capitalise on opportunities to enhance their financial literacy, even when such opportunities are made available to them.

Furthermore, issues pertaining to youth financial behaviour are also associated with the influence of the social environment and consumer culture.

The financial behaviour of young people is also influenced by the social environment and consumer culture. The contemporary consumption trends, reinforced by active advertising and social media, contribute to the formation of the belief among young people that consumption is an essential aspect of social status and success. Consequently, a considerable proportion of the younger generation is inclined to engage in impulsive purchasing, lending and the accumulation of debt. A lack of awareness of the consequences of such financial decisions, particularly in relation to the use of credit products, contributes to financial instability among the younger generation. Furthermore, the absence of budget planning abilities and an inadequate comprehension of the necessity for additional savings serves to exacerbate the issue. [1]

The role of family influence is significant. The family environment in which young people mature has been demonstrated to establish the foundations for their attitudes and behaviours in relation to financial matters. A lack of financial literacy among parents is an impediment to their children's engagement with financial education. In some families, the discussion of financial matters is considered inappropriate, which presents an additional obstacle to the acquisition of financial literacy among younger generations. This results in a situation where young people entering adulthood have limited experience in financial management.

A further challenge is the rapid development of digital financial products and technologies. Young people are actively utilising online banking, mobile applications for financial management, payment systems and even cryptocurrencies. However, they often lack the requisite knowledge to utilise these tools in a safe and effective manner. The rapid evolution of financial technology has

outpaced the capacity of traditional financial education programmes to adapt, creating new risks. A deficiency in knowledge regarding the security of digital environments may result in instances of fraud, the misappropriation of funds, or the exploitation of financial instruments.

Current trends, prospects of formation as well as practical recommendations. The latest developments in financial literacy are focused on the utilisation of digital technologies that facilitate more accessible and engaging learning experiences. The use of mobile applications, online courses and simulations enables young people to acquire financial skills in an accessible manner. The popularity of social media and online platforms has facilitated the dissemination of financial education through the activities of bloggers and opinion leaders, thereby stimulating greater interest in the subject matter. The incorporation of financial literacy courses into the curricula of educational institutions is becoming a priority, offering a structured approach to financial education for young people. Furthermore, the incorporation of gamification represents a significant trend, as it facilitates the acquisition of financial literacy through an enjoyable and engaging approach.

Prospects for the advancement of financial literacy are contingent upon the continued integration of digital technologies, the expansion of access to financial education programs through online platforms, and the establishment of collaborative partnerships between the state, the private sector, and educational institutions. It is anticipated that there will be an increased role for individually tailored learning programmes, designed to meet the specific requirements of individual users. [2]

Practical recommendations for enhancing financial literacy encompass the reinforcement of state assistance in the form of the implementation of obligatory educational programmes on financial literacy in academic institutions. It is crucial to develop and support digital platforms that offer interactive tools and courses for young people, including gamification and mobile applications. It is similarly important to encourage businesses and financial institutions to engage in the education of young people, for example by offering free resources, internship and consulting programmes. Involving parents and communities in the process of financial education through open seminars and training courses may facilitate a more comprehensive approach to improving financial literacy.

It is thus evident that the fostering of financial literacy among the younger generation represents a pivotal factor in guaranteeing their economic resilience and effective adaptation to the prevailing socio-economic milieu. A lack of financial literacy has been linked to adverse outcomes for both individual well-being and societal stability. The advent of modern digital technologies, the integration of financial education into the curricula of both schools and universities, and the implementation of social and government initiatives have all played a significant role in enhancing financial literacy. The resolution of issues pertaining to the accessibility and motivation to acquire financial competencies necessitates a comprehensive strategy that engages the collaboration of governmental, business, and educational entities.

References

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ФОРМИРОВАНИЕ ФИНАНСОВОЙ ГРАМОТНОСТИ МОЛОДЕЖИ: ВЫЗОВЫ И ПЕРСПЕКТИВЫ

В статье рассматриваются проблемы и перспективы формирования финансовой грамотности среди молодежи. Анализируются ключевые вызовы, такие как отсутствие системного подхода к финансовому образованию, неравномерный доступ к образовательным ресурсам, низкая мотивация молодежи и влияние цифровых технологий на финансовое поведение. Освещаются современные тенденции, включая использование цифровых платформ, мобильных приложений и социальных сетей для повышения финансовой грамотности. Предложены практические рекомендации для улучшения финансового образования через государственные и частные инициативы, а также внедрение новых технологий и образовательных программ.

Ключевые слова: финансовая грамотность, образование молодежи, цифровые финансовые инструменты, финансовое поведение, экономическое образование, финансовая инклюзивность, образовательные программы, цифровые платформы, финансовые проблемы, расширение финансовых прав и возможностей.