

EEIA-2018
**2018 International Conference "Education Environment for
the Information Age"**

**RUSSIAN SCHOOLCHILDREN FINANCIAL LITERACY AS A
SOCIALIZATION FACTOR IN THE INFORMATION AGE**

Marina Yu. Romanova (a)*

*Corresponding author

(a) PhD (Education), Senior Researcher, Centre of Social and Humanitarian Education, Institute for Strategy of Education Development of the Russian Academy of Education, 105062, Makarenko, 5/16, Moscow, Russia, e-mail: nauka08@yandex.ru*

Abstract

The author considers the influence of financial literacy on schoolchildren socialization, immediacy of the financial literacy formation among schoolchildren pursuant to the established directions of the State policy in the Russian Federation.

The global trend of modern information technologies introduction into financial field and high level of engineering literacy of the younger generation promotes active attraction of teenagers to use financial instruments via the Internet. Inclusion of schoolchildren in the financial field provides additional opportunities, as well as certain risks and threats for the children and their parents.

It is appropriate to use the basic Social Science course to form the elective financial constituents of the general economic education content since economic concepts are included into the Social Science course.

Taking into consideration the materials of the questionnaire survey conducted in 2017, in which the Social Science teachers were involved, the author defined the ways of the financial education in the general educational institutions of the Russian Federation. The author reveals the place of the elective constituent in relation to financial literacy within the framework of the school course of the Social Science and the elective course of Financial Literacy, as well as presents the directions for perfection of scientific-methodical support to the Social Science course including strengthening of the pragmatist constituent and formation of effective and safe financial behavior skills.

The approach is of a general didactic nature. This technology can be applied for introduction into elective constituents' basic courses that expand or deepen the course content.

© 2018 Published by Future Academy www.FutureAcademy.org.UK

Keywords: Financial literacy, schoolchildren socialization, information age.



This is an Open Access article distributed under the terms of the Creative Commons Attribution-NonCommercial 4.0 Unported License, permitting all non-commercial use, distribution, and reproduction in any medium, provided the original work is properly cited.

1. Introduction

Close attention to the formation of financial literacy of schoolchildren is due to the predominant part of the financial sphere, not only in the real economy and the world economy, but in all human life. Financial literacy is a skill required by every citizen in the 21st century for the people and state survival. It should be emphasized that the ability to read, write and count is the main priority of primary education in the middle of the last century (Ivashkin, 2015).

Financial literacy is an important constituent of any economy that promotes social and economic stability, inclusive development and personal and family well-being strengthening (Sovershenstvovanie, 2015; APEC, 2016; Assistance, 2017).

The low level of financial literacy of the population is a threat to the social, economic and financial stability of countries, so the development of financial literacy is one of the top-priority goals of socio-economic policies of economically developed and developing countries. At the macroeconomic level the low financial literacy of citizens adversely affects the development of the financial sector, decreases economic growth rates and threatens the state national security. At the microeconomic process level, the imbalance between the financial literacy of banking services providers and their consumers results in increased credit indebtedness, decreasing the population incomes, increasing the number of financial crimes. As a result, high level of the household debt load remains in the USA, European countries, countries of Eastern Europe, the Russian Federation (Sovershenstvovanie, 2015; Francuzova, 2017; Atkinson, 2012; Miller, 2015).

2. Problem Statement

Relevance of the schoolchildren financial literacy formation in the age of information as an important socialization factor is a consequence of its active inclusion in the financial field through the Internet, which is associated with various threats and risks of participation of modern adolescents in financial fraud. In this connection, it is required to estimate the potential of school education in the formation of adolescents' financial literacy, to determine ways of schoolchildren financial education realization, possibility of inclusion of elective constituent on financial literacy into content of the Basic Social Science course, to investigate the current state of financial literacy formation within the Social Science course.

3. Research Questions

1. What is the formation of the financial literacy of the population in the Russian Federation as a priority direction of public policy.
2. What is the participation of Russian teenagers in financial transactions: statistical data, opportunities and risks.
3. What are financial frauds in the information age, in which adolescents are a special group of risk involved in financial fraud.
4. What kind of person can be considered financially literate in modern society?
5. What opportunities for the school course "Social Studies" in the formation of financial literacy of Russian schoolchildren.

4. Purpose of the Study

Determining the potential content of the Basic Social Science course in the formation of schoolchildren financial literacy.

5. Research Methods

Analysis of national and foreign literature related to the research subject, questionnaire survey of the Social Science course teachers.

6. Findings

The financial literacy formation of population, including students of the general educational institutions, is recognized in the Russian Federation as one of the State policy top-priority goals. In the president's message dated 2017 to the Federal Assembly, it is noted that the most acute problems currently are concentrated in the field of financial services. The main goal is to prevent situations where people, without considering their own financial opportunities and the future risks execute bank loans, loans in microfinance organizations, which results in their getting into a debt spiral. "Awareness of citizens, their legal education and the upbringing of the consumption culture of financial services comes to prominence. It is necessary to explain in detail how the Institute of Bankruptcy of Individuals works, which opens up opportunities for civilized, legal disposal of debt bondage" (Putin, 2018).

Adolescents can participate in financial transactions, since they receive passport of a citizen of the Russian Federation in the age of 14 pursuant to the Russian legislation that entitles them to conclude employment agreement with an employer independently, as well as to dispose of wages and other monetary funds, to cooperate with credit and financial institutions without parents' written consent, formalize bank cards, deposits, credits, pay for goods and services via electronic payments. At the same time, they must assume the risk of performing financial transactions.

The financial literacy formation of schoolchildren is not limited to the formation of safe financial behaviour skills and protection against financial fraud. The formation of financial literacy among younger generation, at the ideological level, includes formation of active vital creative position, economic thinking development, ability to critically comprehend financial information, education of moral and ethical standards of financial behaviour, financial responsibility development, simulation of effective and safe financial behaviour skills, expansion of the horizon of the family financial planning. Person possessing knowledge, skills, financially competent behaviour, required for making justified financial solutions and achieving individual financial well-being is considered as a financially literate one (Rutkovskaya, 2017; Assistance, 2017; Kaiser, 2017).

Russian children and adolescents actively use various financial products and services. More than 80% of Russian schoolchildren in the age from 12 to 17 are practically experienced in using various means of payments, systematically execute goods purchase via the Internet, use bank cards and use non-cash payment methods. In this connection, the socialization of students in the information age puts special demands on the formation of an appropriate level of financial literacy (Deti, 2015; 2018).

The global trend of modern information technologies introduction into the financial field, high level of information and engineering literacy of younger generation contributes to active inclusion of modern

adolescents into the financial field through the Internet. Adolescents' financial activity implementation through the Internet provides additional opportunities and risks for children and their parents. Often information and technical literacy of children and adolescents is at a higher level in comparison with their financial literacy, therefore adolescents' active introduction into the adolescents' financial field composes a threat to the loss of funds, passport data transfer to lawbreakers.

Currently, financial scammers have switched attention to adolescents and young people. Modern Internet technologies enable to involve in financial schemes the maximum quantity of people at minimum monetary expenses. Defrauders use popular among adolescents and young people social networks and information to search for victims: photos in Instagram, loan applications to a bank. Personalized offer is prepared, in which it is very hard to reveal a criminal scheme, after preliminary collection of the necessary information related to a person.

Fraudulent schemes related to the crypto-currency purchase are widely spread.

There are special fraudulent schemes focused specifically on the children' audience: mobile games and applications that offer children to exchange real money on a mobile account to virtual signs, as well as Internet sites where children and their parents, respectively, are connected to paid subscriptions.

Theft of money through fraudulent schemes is carried out by using mobile phones, paying for goods and services using an electronic purse from a mobile phone.

Russia takes part in the international research of the financial literacy level of 15-year-old schoolchildren from the leading 18 countries as one of the important direction of research of financial literacy level, including evaluation of the level of literacy, mathematical and natural science literacy among adolescents.

The level of adolescents' financial literacy as part of financial literacy within the framework of the Organization for Economic Co-operation and Development International Program related to evaluation of students achievements (PISA) was for the first time studied in the Russian Federation in 2102, then - in 2015.

As a part of the PISA International research, the essence of "financial literacy" is defined as "knowledge and understanding of financial concepts and financial risks, as well as the skills, motivation and confidence required to make effective solutions in a variety of financial situations that promotes improvement of the individual's and society's financial well-being, as well as the opportunity to participate in economic life"(Rutkovskaya, 2017; OECD, 2013; OECD, 2014; OECD 2016).

From the perspective of the international research PISA financial literacy includes:

- cognitive constituent, including necessary knowledge, understanding of financial concepts, economic laws and principles of financial system functioning, risks of financial operations, social and economic state policy, world economy;

- pragmatist constituent – practical skills of effective and safe financial behavior in financial field, ability to choose adequate financial instruments for solution of challenges, search, critical analysis of financial information;

- conative constituent reflects formation of interest to the financial knowledge acquisition and financial skills mastering;

- identity constituent involves development of psychological features required for making economically justified financial solutions (sustainability, thrift, etc.).

The Basic Social Science course has considerable potential in formation of schoolchildren financial literacy. The study of the Social Science at primary school pursuant to the Social Science steering document (grades 5 - 9) is aimed at preparing the graduates for complete execution of the social parts typical for an adolescent; formation of ability to evaluate people deeds in terms of moral and legal positions; conscious execution of civic duties; the social information search, primary analysis and application (Obshchestvoznanie. 8 klass, 2014).

The economic concepts related to the financial sphere are included in the content of the economic component of the social science course. The model programme of general secondary education on the Social Science includes didactic units connected with the financial field: money, money functions, banking system, Central Bank of the Russian Federation, tasks, functions and part in the Russian banking system; financial institutions; production factors, part of the state in economy, state budget, citizens incomes, minimum subsistence income, social support of population, social payments, minimum wages, consumer rights, inflation, nominal and actual income, savings, banks, bank services, interest, bank credit, unemployment, international trade, currency exchange rates (Lazebnikova, 2017; Obshchestvoznanie. Rabochie programmy, 2014).

The model educational programme on the Social Science for the primary school in 2015-2016 includes the following financial and economic concepts: payment card, deposit, credit electronic money, money transfer, currency exchange; forms of remote banking services: automated teller machine, mobile banking, on-line banking; insurance services; investments in actual and financial assets; retirement benefits; citizens taxation; protection against financial transactions; family budget, sources of a family income and expenses; assets and liabilities; personal financial estimates, savings (Lazebnikova, 2017).

The financial field is considered comprehensively in the content of the Social Science textbooks: at the microeconomic level - at the level of individual citizens and households, their personal financial responsibility and security, as well as at the macroeconomic level - state and state policy. State measures to ensure financial security of citizens and families, which are called collective measures in foreign sources (Malkina & Rogachev, 2017; Miller, Reichelstein, Salas & Zia, 2015; Obshchestvoznanie. 8 klass, 2014) include assistance in the population employment, redistribution of the population income, protection of consumers of financial services rights, population social support, including establishment of state pensions, payment of allowances for minor children, unemployment benefit and other state measures for reduction of the economic risk of individual citizens and their families (Obshchestvoznanie. 8 klass, 2014).

The research of the Russian experience of schoolchildren financial literacy formation was conducted in 2017 during the questionnaire survey of the Social Science, economics teachers and teachers of financial literacy course by research scientists of the Social and Humanitarian Education Center of the Federal State Scientific Institution "Russian Academy of Education Institute of Education Development Strategy". More than 500 teachers from different regions of the Russian Federation were surveyed: The survey was attended by teachers from Moscow, Krasnodar and Krasnodar region, Volgograd and Volgograd region. The survey was directed, first of all, at the Social Science teachers (about 90%). The share of the surveyed teachers of economics and teachers of the course "Financial literacy" made 10%.

The teachers were asked to describe the ways of financial education implementation in the general education institution and to analyze the questions and tasks in the Social Science textbooks connected with the financial field, to define its orientation: information reproduction, information transformation, new information reception, formation of financial activity skills, modeling of reasonable financial behaviour, development of interest to the studied material, studied material integration.

Integration of the obtained data has demonstrated that formation of financial literacy is executed within the framework of elective courses “Financial literacy”, “Young Social Scientists”, “ABC of Economics”, “Money to Children”, “Fundamentals of entrepreneurship”, “Investments Management”.

Elective constituent of financial literacy is being studied also as part of the basic courses on the Social Science, history, mathematics, law and geography.

Let's consider a fragment of the questionnaire outcomes (Table 1).

Table 01. Fragment of the results of the survey of social science teachers

No.	Question	1 – in full in %	2 – in individual cases in %	3 – are not directed in %
1.	Information reproduction	69	28	3
2.	Information conversion	22	73	5
3.	New information obtaining	58	39	3
4.	Formation of financial activity skills	24	50	26
5.	Simulation of reasonable financial behavior	21	48	31
6.	Development of interest to the studied material	39	55	6
7.	Studied material integration	42	53	5

Most of the social science teachers surveyed (69%) consider that the objective of financial and economic information reproduction is completely resolved in textbooks, almost one third of teachers (28%) - in individual cases.

In the opinion of 58% of teachers, questions and tasks on new information obtaining are presented in textbooks to the full extent, and 39% of respondents - in individual cases.

Teachers highly appreciated orientation of the questions and tasks related to the financial field, to the studied material integration. Less than half of respondents (42%) noted that this task is fully solved, more than half (53%) - in individual cases.

Determination of questions and tasks in textbooks related to development of interest to the studied material was noted by 39% of respondents, more than half of respondents (55%) consider that only in individual cases questions and tasks are oriented at development of motivation to study elective constituent on financial literacy.

Formation of meta-disciplinary skills of operation with information, implying the information transformation, was highly appreciated by a fifth part of respondents (22%), most of teachers (73%) consider that formation of skills of financial information conversion through questions and tasks in textbooks is executed in individual cases.

Such important outcomes of financial education as financial skills formation and prudent financial behaviour simulation have gained the fewest quantity of “votes”. One fifth of teachers (question No. 4% - 24%) and (question No. 5% - 21%) consider that the questions and tasks presented in the Social Science textbooks enable to form the required skills of effective and safe financial behaviour of adolescents to the full extent; half of the teachers considered that only in individual cases (the question No. 4%-50%) and (question No. 5%-48%).

Outcomes of the questionnaire surveys demonstrate that the questions and tasks in the Social Science textbooks aimed at the formation of cognitive (based on knowledge) constituent are presented in greater extent in comparison with the questions and tasks related to the development of future graduates' financial literacy pragmatist constituent on the formation of skills of efficient and safe financial activities and reasonable financial behaviour modelling.

The findings allow to justify direction for further perfection of educational-methodical support on the Social Science course, including development of the practical-oriented tasks connected with the society financial field.

7. Conclusion

The research has confirmed that the formation of schoolchildren financial literacy in the Russian Federation is carried out mainly within the framework of the basic Social Science course and elective course of “Financial Literacy”. It is required to improve the educational and methodical support of the Social Science course from the standpoint of practice-oriented approach in order to improve the efficiency of schoolchildren financial literacy formation.

Acknowledgements

The work was carried out within the State Assignment of the Institution for Strategy of Education Development of the Russian Academy of Education for 2017-2019 on the subject matter: “Didactic support to the schoolchildren financial literacy formation in the current context” (Project 27.7948.2017/BCh).

References

- APEC (2016). *Finance Ministers Announce Joint Statement. Lima, Peru. Issued by the APEC Finance Ministers' Meeting.* Retrieved from: https://www.apec.org/Press/News-Releases/2016/1015_fmm.aspx
- Assistance in improving the level of financial literacy of people and development of financial education in the Russian Federation* (2017) Ministry of Finance of the Russian Federation Retrieved from: <http://old.minfin.ru/ru/om/fingram/>
- Atkinson, A. and Messy, F-A. (2012) *Measuring Financial Literacy: Results of the OECD.INFE Pilot Study. OECD Working Papers on Finance, Insurance and Private Pensions*, No. 15, OECD Publishing. Retrieved from: http://www.oecd.org/daf/fin/financial-education/2015_OECD_INFE_Toolkit_Measuring_Financial_Literacy.pdf
- Deti i finansy.* (2015) Retrieved from: <https://nafi.ru/upload/iblock/752/7529245761d2196242d9964f78e1587e.pdf> [in Rus.]
- Deti i finansy 2.0: bezopasnost sberezheniy i raschetov.* (2018). Retrieved from: <https://nafi.ru/analytics/deti-i-finansy-2-0-bezopasnost-sberezheniy-i-raschetov/> [in Rus.]
- Francuzova, O.A. (2017). *Finansovaya gramotnost' shkol'nikov v usloviyah aktivno razvivayushchejsya*

- informacionnoj sredy*. Aktual'nye voprosy gumanitarnyh nauk: teoriya, metodika, praktika. Moscow. pp. 43-48. [in Rus.]
- Ivashkin, A.V. (2015). *SSHA, kak oplot mirovoj finansovoj gramotnosti*. Retrieved from: <http://eurasian-defence.ru/?q=node/34324> [in Rus.]
- Kaiser, Tim, & Menkhoff, Lukas. (2017). Does Financial Education Impact Financial Literacy and Financial Behavior and if so, When? World Bank Policy Research Working Paper No. 8161.
- Lazebnikova A.YU. (2017) Prakticheskaya realizaciya zadachi povysheniya finansovoj gramotnosti shkol'nikov: sostoyanie i problemyu *Otechestvennaya i zarubezhnaya pedagogika*, V. 1, №2 (37). pp.22-30 [in Rus.]
- Malkina, M., Rogachev, D. (2017). *Interrelation of personal characteristics with financial literacy as a guide to financial behavior of Russian students*. *European Financial Systems*. Proceedings of the 14th International Scientific Conference, Brno: Masaryk University, part 2, pp. 26-34.
- Miller, M., Reichelstein, J., Salas, Ch., Zia, B. (2015). Can You Help Someone Become Financially Capable? A Meta-Analysis of the Literature, *World Bank Research Observer*, 30(2), pp.220-246.
- Obshchestvoznaniye. 8 klass: ucheb. dlya obshcheobrazovatel'nykh organizacij s pril. na ehlektron. nositele*. (2014) Ros. akad. nauk, Ros. akad. obrazovaniya, izd-vo «Prosveshchenie». 255. (Akademicheskij shkol'nyj uchebnyk). [in Rus.]
- Obshchestvoznaniye. Rabochie programmy*. Predmetnaya liniya uchebnikov pod redakciej L.N. Bogolyubova. 5-9 klassy: posobie dlya uchitelej obshcheobrazovatel'nykh organizacij (2014) M.: Prosveshchenie, 63. [in Rus.]
- OECD (2013), PISA (2012) *Assessment and Analytical Frameworks: Mathematics, Reading, Science, Problem Solving and Financial Literacy*, PISA, OECD Publishing. Retrieved from: <http://dx.doi.org/10.1787/9789264190511-en>
- OECD (2014), PISA (2012) *Results: Students and Money: Financial Literacy skills for the 21st century* (volume VI), PISA, OECD Publishing. Retrieved from: <http://dx.doi.org/10.1787/9789264208094-en>
- OECD (2016), PISA (2015) *Assessment and Analytical Frameworks: Science, Reading, Mathematics and Financial Literacy*, PISA, OECD Publishing. Retrieved from: <http://dx.doi.org/10.1787/9789264255425-en>
- Putin, V.V. (2018). *Poslanie Prezidenta Federal'nomu Sobraniyu*. Moscow, Retrieved from: <http://www.kremlin.ru/events/president/news/56957> [in Rus].
- Rutkovskaya E.L., Polovnikova A.V. (2017) *Finansovoe obrazovanie rossijskih uchashchihsya (po materialam issledovaniya - PISA-2015)*. Aktual'nye voprosy gumanitarnyh nauk: teoriya, metodika, praktika. Moscow, pp. 49-56. [in Rus.]
- Sovershenstvovanie nacional'nykh strategij finansovogo obrazovaniya*. Sovmestnaya publikaciya predsedatel'stva Rossijskoj Federacii v (2015) «Gruppe dvadcati» i OEHSR. Minfin Rossii. Retrieved from: <http://minfin.ru/ru/om/fingram/directions/strategy/> [in Rus.]