# THE IMPACT OF WOMEN'S FINANCIAL LITERACY ON EMPLOYMENT

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**Abstract.** The aim of this research endeavor is to conduct a comparative analysis of countries in Europe and Central Asia regarding "The impact of women's financial literacy on employment". Research findings indicate that traditional gender roles contribute to a significant knowledge gap in financial literacy among women. Contemporary women often dedicate more time to domestic duties, such as caring for their families and children, leading to limited involvement in the workforce and minimal discussions about financial matters with peers or family members. Despite advancements in education and employment opportunities for women, studies reveal persistently low levels of financial literacy, particularly in Central Asian nations where women face challenges in accessing quality education compared to men. This educational disparity adversely affects their financial literacy skills and employment prospects, particularly in sectors requiring specialized knowledge or training. Research findings underscore the importance of higher education for women and girls in enhancing their financial literacy and subsequent opportunities. Thematic analysis of data obtained through in-depth interviews with semi-structured questions yielded six key themes related to women's financial literacy experiences: financial independence, understanding of financial products, commitment to high-risk investments, freedom from financial constraints, financial goal setting, and ability to seek information and save money. The study proposes two strategies for enhancing financial literacy: integrating financial education into early-age curricula and expanding promotional campaigns and social media outreach. Ultimately, the study offers valuable insights for policymakers, highlighting the need to prioritize financial education initiatives aimed at reducing gender disparities in Uzbekistan and fostering greater financial empowerment among women.

**Keywords**: Financial literacy, Working women, Financial instruments, Programs providing Financial education, Social support,

**Аннотация.** Целью данного исследования является проведение сравнительного анализа стран Европы и Центральной Азии относительно «влияния финансовой грамотности женщин на занятость». Результаты исследований показывают, что традиционные гендерные роли способствуют значительному дефициту знаний в области финансовой грамотности среди женщин. Современные женщины часто посвящают больше времени домашним обязанностям, таким как уход за семьей и детьми, что приводит к ограниченному участию в работе и минимальным обсуждениям финансовых вопросов со сверстниками или членами семьи. Несмотря на прогресс в сфере образования и возможностей трудоустройства для женщин, исследования показывают устойчиво низкий уровень финансовой грамотности, особенно в странах Центральной Азии, где женщины сталкиваются с проблемами в доступе к качественному образованию по сравнению с мужчинами. Такое неравенство в образовании отрицательно влияет на их навыки финансовой грамотности и перспективы трудоустройства, особенно в секторах, требующих специальных знаний или подготовки. Результаты исследований подчеркивают важность высшего образования для женщин и девочек в повышении их финансовой грамотности и последующих возможностей. Тематический анализ данных, полученных в ходе глубинных интервью с полуструктурированными вопросами, выявил шесть ключевых тем, связанных с опытом финансовой грамотности женщин: финансовая независимость, понимание финансовых продуктов, приверженность высокорискованным инвестициям, свобода от финансовых ограничений, постановка финансовых целей, и способность искать информацию и экономить деньги. В исследовании предлагаются две стратегии повышения финансовой грамотности: интеграция финансового образования в учебные программы для детей раннего возраста и расширение рекламных кампаний и охвата социальных сетей. В конечном счете, исследование предлагает ценную информацию для политиков, подчеркивая необходимость уделять приоритетное внимание инициативам в области финансового образования, направленным на сокращение гендерного неравенства в Узбекистане и содействие расширению финансовых возможностей среди женщин.

**Ключевые слова:** Финансовая грамотность, Работающие женщины, Финансовые инструменты, Программы финансового образования, Социальная поддержка.

## INTRODUCTION

In various regions worldwide, young women aged 15 to 24 are undergoing multiple transitional phases that carry lifelong implications. These transitions often occur simultaneously and are influenced by the level of assets available to them, encompassing human, social, educational, economic, and physical resources. Access to such assets and opportunities is frequently impeded by gender and age-related normative and structural barriers. Gender norms, in particular, constrain women's control over household resources and financial decision-making autonomy. These norms, both formal and informal, dictate societal roles and opportunities, including participation in economic activities and business ownership. Concurrently, young women encounter age-related obstacles, including legal restrictions and limited access to financial resources due to perceptions of riskiness associated with youth. Moreover, early marriage and childbearing exacerbate economic challenges for young women. Empirical data from Uzbekistan highlights disparities in female unemployment rates, particularly among young women with specialized secondary and higher education. Financial inclusion initiatives hold promise in mitigating these challenges and supporting young women's transition to adulthood. However, regional variations persist, with higher unemployment rates observed in specific Uzbek regions. Additionally, women's labor market participation in Uzbekistan is lower compared to men, influenced by factors such as early marriage and sectoral segregation, particularly in lower-paying industries like education and healthcare. These disparities contribute to gender wage gaps and shape women's employment trajectories in the country.Having the knowledge and tools to effectively access and use a range of financial services—including savings, loans, payments, and insurance—has been shown to help people address both their economic and noneconomic needs. These financial services can be offered through formal financial institutions or informal arrangements with family, friends, savings and loans groups, and money lenders. By helping young women more effectively build, manage, and control income and assets, financial inclusion can contribute to positive feedback loops in outcome areas including livelihoods, education, health, and empowerment. Just as for all users, however, it is critical that financial services for young women are provided responsibly to avoid the negative outcomes that could result, for example, from a poorly designed or even fraudulent product.

Across the world, women score lower on financial literacy tests than men. According to a 2020 study by the OECD, on average, men score higher in financial literacy tests than women by 4 points out of 100. However, in some countries, the difference is larger than 10 points. Out of the 16 countries studied, there wasn't a single country where women performed higher than men. In Europe, women earn almost 13% less than men, on average — and the gender wealth gap is also substantial. According to a 2019 study by Credit Suisse, over a lifetime women accumulate €100,000 less in wealth on average than men. Despite earning less, women have a longer lifespan on average than their male counterparts. However, given the gender pay gap, plus the fact that it's more common to leave the workforce to raise a family, women are at higher risk of having financial problems and approaching retirement with insufficient savings.

## LITERATURE REVIEW

According to scientists, "not all women have a clear attitude towards work, there is a shortage of highly qualified female specialists, their leadership role in running a family business is increasing, and accordingly, stereotypes of women's attitude towards socially useful work. Reasons such as the presence of gender differences in social ideas in this regard, are manifested today in the low level of professional career and leadership of rural women. Karimova V., Saidova Yu. Toshkent: Turon-Iqbol, 2011. Financial literacy is a crucial skill that holds significant importance for individuals across various demographics, encompassing both the young and old, as well as both genders. Individuals and families who possess a higher level of financial literacy tend to possess a significant advantage in terms of accumulating wealth due to their participation in stock market investments and active savings practices (Chen et al., 2018). Ameliawati and Setiyani (2018) illustrates that individuals with limited financial literacy exhibit a higher propensity for experiencing debt-related challenges, displaying a preference for mutual funds with lower costs, and encountering difficulties in effectively managing their accumulated wealth. Lusardi. A. (2006) conducted a study on Planning and Financial Literacy: How Do women Fare? The objectives of the study were to examine the saving behaviour of women, to analyse how women plan for retirement, tools & sources of information used for planning and to analyse the financial literacy of women. Study was conducted on 1,264 respondents, among which 60% are women who are of 50 years old or older and 64% are married. Regression method and multivariate analysis was used to know the importance of financial literacy and the relationship with planning in the total sample and among women only, and found that women had little financial literacy, retirement calculation was not an easy task particularly for women and they are much more rely on family, friends and advisers for their financial planning. Despite the creation of all social and legal conditions for increasing the employment of women in our republic, the current situation in this area does not meet the requirements of modern economic development. To improve this situation, it is necessary to go beyond gender issues, since most of them stem from the general problems of the formation and development of the labor market in conditions of market transformation, and these problems affect the level of employment of the population, especially women. (Mambetzhanov Kakhramon, Ibragimov Lutfullo) .

## RESEARCH METHODOLOGY

This study used qualitative research methodology. Collection of primary data involves conducting semi-structured interviews with ten working women in public service and domestic workers informants participated in this study. Age of informants varies from 23 to 45 years old, work experience from 2 to 17 years. They were selected based on according to the criteria of gender, age and work experience.

Questions focused on their understanding of financial literacy as well as how they manage their money. Their willingness to face financial uncertainty and understanding of financial products Semi-structure issues also include cash flow management, savings and investments and retirement planning. However the interview process comes to an end when the data obtained has reached a saturation point. Thematic analysis is then used to develop themes based on the transcriptions obtained from the participants.

**Demographic Profile of Participants**

Table 1 shows that the women who participated in the study ranged in age from 23 to 45 years old, with work experience ranging from 2 to 17 years. Four of them have bachelor's degrees, three have master's degrees, and three participant has a diploma. In terms of marital status, all participants are married.

**Table 1**

**Informants Background**

| Informants | Age | Marital Status | Educational Background | Working Experience (Years) |
|---|---|---|---|---|
| **Informant 1** | 23 | Married | Diploma in Office Management | 2 |
| **Informant 2** | 27 | Married | Bachelor’s in Business Administration | 4 |
| **Informant 3** | 27 | Married | Diploma in Mathematics | 6 |
| **Informant 4** | 29 | Married | Diploma in Mechanical Engineering | 9 |
| **Informant 5** | 33 | Married | Bachelor’s in Business Economics | 10 |
| **Informant 6** | 36 | Married | Bacheler 's in Administrative Selence | 8 |
| **Informant 7** | 39 | Single | Master's in Mechanical Engineering | 9 |
| **Informant 8** | 40 | Married | Master's in Psychology | 12 |
| **Informant 9** | 43 | Married | Bacheler 's in Linguistics | 15 |
| **Informant 10** | 45 | Married | Master's in Business Administration | 17 |

Following the interviews with the participants, several themes were successfully formed to demonstrate the participants' understanding of financial literacy. The primary themes identified are financial independence. Second, knowledge about financial products. Third, high-risk investment commitments. Fourth, free from financial commitment. Fifth, financial goals and lastly, ability to seek information and save money.

**Theme 1: Financial Independence**

The primary thematic focus pertains to financial autonomy, defined as the capacity to sustain one's essential expenses over an extended duration without external assistance. This concept aligns with the notion that women empowered to autonomously oversee their financial affairs exhibit enhanced confidence in realizing their monetary objectives and possess the liberty to make independent financial choices. The individuals interviewed exemplify facets of financial self-sufficiency through their articulated perspectives.

**Theme 2: Knowledge about Financial Product**

The subsequent thematic element revolves around comprehension of financial instruments. Investigations revealed that individuals lacking adequate financial acumen exhibit diminished inclination towards engagement in stock market ventures. Analysis of responses regarding financial products unveiled that participants possess rudimentary familiarity with prevalent financial instruments, particularly those prevalent within Uzbekistan. This observation underscores a favorable correlation between financial literacy and female labor force participation, attributable to exposure to financial literacy initiatives such as seminar attendance and adherence to structured guidance.

**Theme 3: High Risk Investment Commitment**

The third thematic aspect under scrutiny in this investigation pertains to high-risk investment undertakings. Researchers posit that women's susceptibility to significant financial hazards hinges upon their active engagement in acquiring financial knowledge. As evidenced by the response of Informant 4, who acknowledged contemplating investment in a particular institution but expressed reservations due to apprehensions regarding unforeseen economic conditions, the findings underscore variations in informants' confidence levels and risk tolerance, which in turn influence their selection of reliable financial instruments and investment choices. The decision-making process and investment behavior of employed women are subject to multifaceted determinants, encompassing investment inclinations, financial institution credibility, financial priorities, proficiency in investment endeavors, and risk aversion. Certain individuals with a sufficient degree of financial self-efficacy are perceived to possess the capability to adeptly manage their financial affairs

**Theme 4: Free from Financial Commitment**

The fourth theme explored in this study pertains to freedom from financial commitments. A prevailing trend indicates that women generally exhibit lower levels of financial literacy compared to men, which can be attributed to their perceived lack of financial skills and confidence in managing their finances. Informants further elaborated on this theme, with some expressing contentment with their current financial state, attributing their lack of concern to their spouses' management of financial responsibilities and their own ability to control expenses. Conversely, Informant 3 shared a contrasting experience, citing financial challenges encountered at a young age, which continue to impact her financial situation adversely. Past research underscores the significant role of familial relationships, social networks, and peer interactions in shaping financial literacy, with individuals possessing such knowledge being more likely to experience enhanced financial well-being. This phenomenon is attributed to their adeptness in implementing effective money-management strategies gleaned from familial exposure to financial products. Consequently, financial well-being emerges as a complex interplay of financial concerns, past experiences, and familial influence. While some respondents expressed contentment and a sense of security, others voiced apprehensions and anxiety. Family influence, particularly concerning financial knowledge and decision-making, emerged as a significant determinant of the informants' financial well-being. Overall, the study highlights the pivotal role of investigation, financial behavior, knowledge acquisition, and personal characteristics in shaping financial well-being, with individuals exhibiting higher levels of financial literacy demonstrating greater wealth accumulation and more adept management of financial resources, especially during periods of financial instability..

**Theme 5: Financial Goals**

The fifth theme delves into financial goals, emphasizing the necessity of establishing a comprehensive financial plan to achieve stability and security. Setting specific and measurable financial objectives is deemed crucial for individuals aspiring toward financial freedom, providing them with a clear roadmap to guide their endeavors. Several informants, including Informant 3, 7, and 1, articulated their intent to utilize their savings toward achieving their financial goals. In discussing retirement planning, these informants indicated their reliance on pension funds as their primary source of financial support during retirement. Moreover, the majority of informants underscored the importance of saving to mitigate financial stress, with Informant 4 highlighting her intention to save for the purpose of purchasing a house and avoiding additional loans. Overall, the informants recognized the significance of formulating strategies for emergencies, retirement, and savings as integral components of financial literacy. Individual circumstances, occupation, and financial objectives influenced their approaches. Moreover, individuals exhibiting a sufficient degree of financial self-efficacy demonstrated a capacity to proficiently manage their finances, with higher levels of financial self-efficacy serving to alleviate financial anxiety and enhance the efficacy of their financial knowledge.

**Theme 6: Ability to Seek Information and Save Money**

The final theme explored in this study is the capacity to seek information and save money, which underscores the importance of financial literacy in comprehending the significance of saving for retirement, generating post-retirement income, and engaging in investments to augment future wealth. Attitudes toward saving play a pivotal role in shaping financial management behaviors, with the informants exhibiting distinct beliefs regarding financial product information and saving practices. The influence of financial literacy and knowledge on these perspectives is evident, as individuals lacking sufficient knowledge display a decreased propensity to save. This finding underscores the critical role of integrating financial literacy components in guiding employed women toward making informed decisions regarding expenditure and investment.

## CONCLUSION

In summary, women are often perceived as reluctant to engage in financial management due to its perceived complexity and aversion to financial risks and decision-making. However, it's important to note that the findings of this qualitative study may not be representative of all women working in the public sector, given the limited sample size. Therefore, broader participation in future studies is crucial to gaining a comprehensive understanding of women's financial literacy and its impact on their financial well-being. The study suggests strategies to enhance financial literacy, such as integrating financial education into early-age curricula and leveraging social media platforms for awareness campaigns. By studying the state of financial literacy among working women in the public sector, this research contributes valuable insights, particularly for government entities aiming to strengthen financial education initiatives, thereby reducing gender disparities in Uzbekistan. Lessons from countries with high levels of financial literacy, such as Australia, Canada, Finland, Germany, Israel, the Netherlands, Sweden, and the United Kingdom, can be adapted to empower Uzbekistani society. For instance, Canada has simplified disclosure statements for financial products, while some German regulations prioritize understanding customers' risk preferences before offering financial advice. These measures can enhance women's confidence in financial institutions' ability to manage their finances and ultimately improve their financial management skills.

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## ilmiy, amaliy va ommabop jurnali





2024-yil aprel, 2-soni




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**“Marketing” ilmiy, amaliy va ommabop jurnali** 2024-yil 15 martdan O‘zbekiston Respublikasi Prezidenti Administratsiyasi huzuridagi Axborot va ommaviy kommunikatsiyalar agentligi tomonidan **C-5669517** reyestr raqami tartibi bo‘yicha ro‘yxatdan o‘tkazilgan. **Litsenziya raqami: №240874**