ISSN: 2775-5118 VOL.4 NO.12 (2025) I.F. 9.1

THE ROLE OF SOCIAL NETWORKS IN INCREASING THE FINANCIAL LITERACY OF THE POPULATION

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0009-0009-1184-8051

Abstract: This article identifies the role of social networks in increasing the financial literacy of the population. The study is based on theoretical views put forward by the OECD, the World Bank and other international organizations, as well as methodological approaches of scientists such as Lusardi and Mitchell (2014), Potrich et al. (2016). Empirical data collected on the basis of a questionnaire with the participation of 234 respondents were processed using descriptive and correlational analysis methods, and the relationships between the components of financial knowledge, attitudes and behavior of the population and external determinants - social networks and peer influence - were identified. The results showed that although young and middle-aged people are active in financial decisions, the culture of savings and planning is not sufficiently formed, and the participation of women is relatively low. Although there is widespread use of mobile banking and digital services, they are cautious in accepting financial advice on social networks. The article concludes with suggestions for expanding financial education programs, promoting a savings culture, and supporting the creation of content based on official sources on social media.

Keywords: Financial literacy, social media, digital finance, savings culture, financial planning, mobile banking, digital services, fraud immunity, financial knowledge, financial attitudes, financial behavior, peer influence, population of Uzbekistan, descriptive analysis, correlation analysis

Introduction

Financial literacy is recognized as an important competency for every society in the context of modern economic development. According to OECD (2016), countries with low levels of financial literacy have high debt levels, while savings and investment levels remain low. Reports from the International Monetary Fund and the World Bank also emphasize that financial literacy is a key condition for economic inclusion, and that rational financial decision-making by the population contributes to sustainable growth (World Bank, 2018). The issue of financial literacy is also widely discussed in academic circles. Studies by Lusardi and Mitchell (2014) show that financial knowledge is crucial for managing personal finances, borrowing, saving, and investing. Potrich et al. (2016) and Fessler et al. (2019) propose to define financial literacy through three main components: financial knowledge, financial attitudes, and financial behavior. There is a causal relationship between these components, with financial knowledge influencing attitudes, and attitudes influencing behavior.

In recent years, the development of digital technologies has significantly changed the mechanisms for the population to receive financial knowledge. The World Bank (2020) report notes that social networks and mobile applications are emerging as effective tools for accelerating the use of financial services, spreading financial knowledge among the population, and expanding digital inclusion.

The experience of countries also confirms the relevance of this process. In developed countries such as the USA, Germany, and Japan, improving the financial literacy of the population is being implemented within the framework of national programs (OECD, 2020). These programs include the introduction of special courses in the school and higher education systems, and the widespread use of media and social networks as priorities. As a result, a high level of financial literacy in these countries has a positive impact on social stability and economic growth.

In Uzbekistan, the issue of increasing financial literacy is also recognized as one of the priorities of national policy. The Decree of the President of the Republic of Uzbekistan No. PF-6079 dated October 5, 2020 “On approval of the Digital Uzbekistan - 2030 Strategy and measures for its effective implementation” was adopted, which sets the development of the digital economy, expanding broadband Internet coverage, and improving the digital and financial skills of the population as the main goals. This strategy provides for training young people in programming, expanding e-government systems, and establishing interactive services for the population through social networks.

Along with the development of digital services, the level of financial information received by the population from social networks is increasing. According to statistical data obtained as a result of the study, by 2024 the number of Internet users in the country will exceed 24 million, and more than 70% of them will receive information on various fields, including financial content, through social networks. This further increases the strategic role of social networks in increasing financial literacy.

Thus Therefore, the issue of increasing financial literacy is relevant within the framework of science, the international community, developed countries and the national policy of Uzbekistan. Social networks are emerging as one of the most effective platforms for expanding the financial knowledge of the population, forming their attitudes and changing their behavior. Therefore, studying this topic on a scientific basis and developing practical mechanisms in the national context is considered an important scientific and practical need today.

Literature review

The issue of financial literacy is emerging as a scientifically and practically relevant topic in today's global economic environment. Reports published by the World Bank (2018), OECD (2016, 2020), and the International Monetary Fund note that low levels of financial literacy among the population limit their access to financial inclusion, increase the risk of debt, and lead to poor investment decisions. Financial literacy, in turn, ensures economic stability by managing personal finances, saving, and investing (Lusardi & Mitchell, 2014). Therefore, this topic is at the center of research not only among economists, but also among psychologists, educators, and social scientists.

The concept of financial literacy has been interpreted in various ways in the scientific literature. Potrich et al. (2016) propose measuring financial literacy through three main components: financial knowledge, financial attitudes, and financial behavior. Fessler et al. (2019) show that these components are causally related: knowledge shapes attitudes, and attitudes influence behavior. This approach is also supported in the works of Uzbek scientists. In particular, in the research on the topic “Improving the theoretical foundations of the concept of financial literacy”, literacy is interpreted as a set of scientific and practical knowledge that ensures the economic stability of an individual and his independence in decision-making.

Scientific research after the global financial crisis of 2008 showed that the financial illiteracy of the population poses a threat to the stability of the entire economic system. Therefore, many countries have developed programs to improve financial literacy at the national level. For example, studies conducted in Russia have revealed the impact of financial literacy on regional economic development (Sushko, 2018). It is emphasized that the population’s ability to make sound financial decisions not only contributes to personal well-being, but also to the stability of the banking system and the increase in investment potential.

In the era of the digital economy, social networks have become the main communication platform for increasing financial literacy. Studies by Godey et al. (2016) and Kumar et al. (2016) have shown that content distributed on social networks has a significant impact on consumer behavior. Alikperova and Vinogradova (2021) found that social media plays a crucial role in shaping the financial behavior of young people. In their opinion, the content of bloggers and "opinion leaders" often directly affects the process of making financial decisions. At the same time, there is a negative side to this situation: informal or unlicensed "financial advisors" increase the risk of fraud.

Peer influence is also important in shaping financial literacy. Collaborative learning and knowledge sharing have been evaluated as effective learning mechanisms in the scientific works of Wentzel (2017) and Erkens & Bodemer (2019). Peer interaction through social media further enhances the discussion of financial decisions and knowledge sharing. Studies conducted in Indonesia and other countries have shown the impact of social pressure and group norms on consumer behavior (Sin et al., 2012; Muralidharan & Men, 2015). In the context of Uzbekistan, discussing financial decisions through neighborhoods, friendship groups, and student communities is also a common phenomenon, and this social environment is an important tool for increasing financial literacy.

Based on the literature review, this study puts forward the following hypotheses:

H1. Financial attitudes have a significant impact on the financial behavior of the population.

H2. Financial knowledge has a significant impact on financial attitudes.

H3. Exposure to social media determines the financial behavior of the population.

H4. Social networks have an impact on the formation of financial relationships

H5. Social networks are considered to have a high impact on increasing financial knowledge.

H6. Interactions of the population shape financial behavior.

A review of the literature shows that increasing financial literacy has a positive impact not only on personal well-being, but also on regional and national economic development. Social networks and peer influence are considered the most important external determinants of this process. Therefore, scientific research should be focused on a comprehensive analysis of these factors and determining how they work in the case of the population of Uzbekistan.

METHODOLOGY

The main objective of this study is to empirically assess the role of social networks in increasing financial literacy in the case of the population of Uzbekistan. The research design was developed based on theoretical foundations and the results of a practical survey, using a mixed-method approach.

The research design, in the theoretical part, examined the concept of financial literacy and its main components (knowledge, attitude, behavior) and external determinants - exposure to social networks and peer influence. This model was combined with the methodologies developed by OECD-INFE (2011), Lusardi & Mitchell (2014), Potrich et al. (2016). In the practical part, the survey data were analyzed and the relationship between the level of financial knowledge, financial decisions and the use of social networks was studied.

Population and sample, the population of the study is the population of Uzbekistan. The survey was conducted online and partially in paper form, collecting responses from more than 200 respondents. The respondents represented different age groups (18–25, 26–35, 36–45, over 46 years old), gender composition (male and female), and income levels. This allows the results to be generalized at the national level.

Data collection tools, The survey consisted of 20 questions, covering the following blocks:

Demographic data - age, gender, source and level of income.

Financial literacy - questions such as the concept of inflation, calculating the return on bank deposits, credit factors, understanding investment risks.

Financial behavior - availability of savings, budget planning, preparation for unexpected expenses, ways to find solutions to financial problems.

Social determinants - the use of social networks in financial decisions, mobile banking, online payments, perceptions of cryptocurrency, awareness of fraud.

Financial Attitudes – evaluation of financial advice, views on the impact on economic stability.

Most of the survey questions were closed-ended, using a Likert scale (e.g., “always use” – “never use”) and alternative options.

Data collection process, the survey was collected in February-March 2025. In addition to online distribution using the Google Forms platform, respondents were also recruited in paper form in some regions. Responses were collected anonymously, personal data was kept confidential. Voluntary participation of respondents was ensured, which guaranteed compliance with ethical standards.

Data analysis methods, the collected data are processed in the SPSS program. The analysis steps are as follows:

Descriptive analysis – the demographic profile, income level and financial behavior of respondents are summarized. Correlation analysis – the relationship between financial knowledge, behavior, attitudes and social networks is determined.

Analysis and results

The survey results reflect the financial literacy and social media usage characteristics of the population of Uzbekistan. A total of 234 respondents participated in the study. Figure 1 presents statistics on the age structure of respondents who participated in the questionnaire.

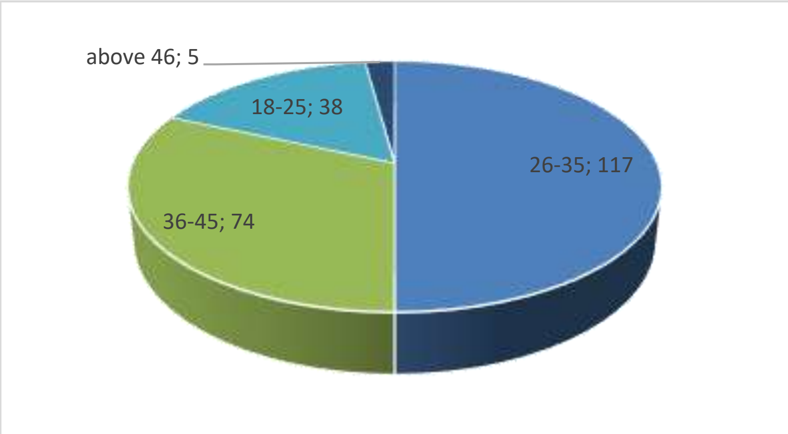

Figure 1. Age distribution of respondents in the survey

According to Figure 1, 50 percent (117) of the respondents were between 26 and 35 years old, 31 percent (74) were between 36 and 45 years old, 16 percent (38) were between 18 and 25 years old, and 2 percent (5) were between 46 and 56 years old. This result indicates that the young population is actively participating in financial literacy research.

In terms of gender, men predominated - 205 (88 percent), and women - 29 (12 percent). In terms of the main sources of income, 166 (71 percent) respondents received income from wages, 51 (22 percent) from business activities, and the rest lived from other sources or on assistance. In terms of monthly income distribution, 75 (32 percent) respondents reported an income of more than 15 million soums, 73 (31 percent) respondents reported an income between 7–15 million soums, 67 (29 percent) respondents reported an income between 3–7 million soums, and only 19 (8 percent) respondents reported an income of up to 3 million soums.

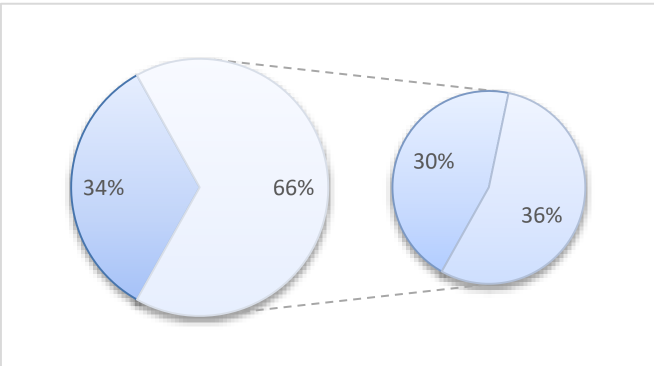

Figure 2. Composition of respondents who have savings

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The respondents' saving habits varied: 79 (34%) said they did not save at all. However, 61 (26%) said they save more than 30% of their income, 56 (24%) said they save 10-30%, and 38 (16%) said they save less than 10%.

Regarding financial planning, 75 (32%) respondents said they regularly keep a monthly budget, 123 (52%) said they sometimes plan, and 36 (15%) said they have never made a financial plan. This result indicates that the culture of financial planning is still not fully formed.

When asked about the existence of a savings account to cover unexpected expenses, 85 (36%) respondents said they have enough savings to cover 3 months of expenses. 70 (30%) said they only had a 1-month emergency fund, while 79 (34%) said they had no savings at all.

According to the survey results, the use of social media in making financial decisions is high: 113 (48%) respondents said they sometimes use social media, and 66 (28%) said they always use social media. Only 51 (22%) said they did not trust it, and 4 (2%) said they did not know at all.

The use of mobile banking and online payment services is very high: 213 (91%) respondents use it regularly, 19 (8%) said they sometimes use it, and only 2 (1%) said they never use it.

Most respondents are cautious about the reliability of financial advice on social media: 193 (82%) said they check it through official sources. 37 (16 percent) chose the answer "don't know", while only 4 (2 percent) said they rely on advice from popular bloggers.

Based on the survey data, a correlation analysis was conducted to identify the relationships between the various components of financial literacy and social determinants. The results are presented in Table 2.

Table 2

Pearson correlation to determine cause-and-effect relationships between factors

Variables	***Using social media***	***Reliability of financial advice***	***Financial planning***	***Savings***	***Mobile banking***
Social media usage	1.0	0.24	0.08	0.05	0.02
Trustworthiness of financial advice	0.24	1.0	0.2	0.1	0.03
Financial planning	0.08	0.2	1.0	0.24	0.05
Savings	0.05	0.1	0.24	1.0	0.06
Mobile banking	0.02	0.03	0.05	0.06	1.0

ISSN: 2775-5118 VOL.4 NO.12 (2025) I.F. 9.1

Pearson correlation coefficients showed the following main relationships:

• There is a positive and significant relationship between social media and the credibility of financial advice (r = 0.24). This result indicates that active users of social media tend to check financial advice from official sources.

• There is a moderate positive relationship between financial planning and saving (r = 0.24). This confirms that individuals who plan financially also tend to save.

• There is also a positive relationship between financial planning and the credibility of advice (r = 0.20). This means that respondents who are inclined to plan also evaluate financial advice critically.

• There is a weak positive relationship between social media and financial planning (r = 0.08). This result does not mean that those who receive information through social media always switch to systematic planning.

• No significant correlation was observed between mobile banking and other variables, indicating that mobile banking is widely used and used by almost all segments of society.

The hypotheses put forward based on the literature were evaluated as follows:

• H1: Financial literacy affects financial attitudes. – Descriptive results supported the hypothesis by indicating that those with higher levels of knowledge tend to save and plan.

• H2: Financial attitudes affect financial behavior. – The correlation between financial planning and saving (r=0.24) supports this hypothesis.

• H3: Social media affects financial decisions. – The relationship between social media use and trustworthiness of advice (r=0.24) supports the hypothesis.

• H4: Peer influence affects financial decisions. – This indicator was not directly tested in the survey, but descriptive results suggest that savings and decisions are often discussed in social dialogue.

• H5: Social media increases financial literacy. – Indirectly confirmed: active users are more likely to check advice, which indicates an informed approach.

• H6: Using social media enhances financial planning. – Although there is a weak correlation (r=0.08), the hypothesis is not fully confirmed.

The correlation results show that the main components of financial literacy are interconnected and are strengthened by social determinants. In particular, the use of social media encourages careful financial decision-making. The connection between financial planning and savings culture has emerged as a key factor for the economic stability of the population.

Conclusion and suggestions

The results of the study showed that the level of financial literacy among the population of Uzbekistan is being formed under the influence of various factors, and the active participation of young people and middle-aged people is observed in this process. At the same time, gender differences are noticeable, and it was found that women's participation in financial decision-making is lower than that of men. This indicates the need to ensure gender equality in financial education and literacy programs.

The issue of saving turned out to be an important factor in the financial stability of respondents. According to the survey results, the fact that almost a third of them do not save at all indicates a significant degree of openness to financial risk. Therefore, it is necessary to widely promote the culture of savings for all segments of the population, organize trainings on personal budgeting, and develop tax incentive mechanisms.

It was observed that the culture of financial planning is still being implemented episodically. In this process, the population's ability to systematically plan financial decisions in advance is not sufficiently developed. Therefore, it is advisable to teach the population simple and effective financial planning methods through educational programs of state and non-state financial institutions and the media.

The widespread use of digital financial services, in particular mobile banking and online payments, was noted as a positive trend. This indicates that digital transformation processes are being successfully implemented in Uzbekistan. At the same time, it is also necessary to strengthen knowledge about security and reliability issues when using these services, because along with digital services, cybersecurity risks are also increasing.

Although social networks are emerging as an important factor in making financial decisions, respondents were observed to be cautious in using them. This, on the one hand, reduces the risk of fraud, and on the other hand, indicates that the potential of social networks to increase financial literacy is not being fully utilized. Therefore, the popularization of financial information through official sources and the creation of quality content by qualified specialists on social networks should be supported.

Another important result of the study is that the majority of the population sees official sources as the main source of trust. This indicates that immunity against financial fraud is being formed. At the same time, increasing the reach of official sources, providing them through simpler, more understandable and modern communication channels is of great importance in the financial decisions of the population.

In general, the results of the study indicate the need for a comprehensive approach to increasing financial literacy in Uzbekistan. In this process, the following proposals can be put forward:

- Expanding financial education programs to cover all age and gender groups.
- Developing fiscal mechanisms and special financial products to encourage savings and financial planning.
- Increasing security in mobile banking and digital services and warning users about cyber risks.
- Strengthening cooperation between the state, financial institutions and experts in increasing financial literacy through social networks.
- Creating innovative platforms for providing official sources to the population in a more rapid and interactive form.

Thus, increasing financial literacy not only ensures personal well-being, but also directly contributes to the stability of the entire economy. Therefore, measures taken in this direction are of strategic importance.

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