

The role of the university in the citizens' financial competence improvement in Russia and in countries of the New Silk road.

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The citizens' financial competence is one of conditions of the market development and of their volatility decrease.

High financial standards are a big advantage for the government and its citizens. People can easier evaluate the risks related to financial pyramids, ruinous consumer credits or unreasoned stock-jobbing. In long-term prospect it will increase trust to financial instruments and will promote dynamical growth of the market. Growth of private stock investments and, as a result, a stock marked volatility decrease is only one of the possible results of a financial educational program. Support of the new market segments is not less important. Such services as life insurance or private retirement insurance, that are relatively new in Russia and in countries of the New Silk Way, are not easy to understand; therefore the government support is required for their mass penetration.

That fact that the considerable part of the population has no basic education creates a threat, that the citizens, on the one hand, «can become a victim of a financial attack», and on another, the same factors puts the brake on economic development of the whole country. Alexander Zhukov, the vice-premier of the Russian Federation, has paid attention to it while opening the last meeting within the limits of Russia's chair in «Group of eight» concerning the citizens' financial competence increase. He noted that «in a sphere of education there were entered the engagements on realization of some measures aimed to improve the quality of basic education, work out the uniform standards of vocational training evaluation, increase the academic mobility, update the educational systems». Russia has gone further, offering the partners in "G8" to study a current financial competence level of the population. And on the basis of this analysis, a series of measures concerning the financial competence level increase should be developed. That will further promote

financial markets and economy development, and will finally ensure economic stability.

15 years of market reforms have not taught Russians to be competent in finance.

It means that people do not understand financial possibilities given to them by the modern markets.

Today our population has pretty low level of awareness about financial services, products, and also about rules of their granting and using. As a significant amount of citizens see it, banks still remain inaccessible financial institutions. So, according to Gallup poll, about 47 % of respondents think that banks are meant mainly for rich clients. About 62 % of respondents think that it is difficult to understand bank products and services. And almost 64 % of citizens don't trust financial structures, because they are sure that it's risky to invest money into banks.

Thus, the majority of the population still tends to place the money in traditional financial mechanisms and institutes. During growth of savings, and also during the development of citizens' investment potential this fact becomes a serious obstacle for full involving and full participation of citizens in financial markets.

It is necessary to be trained as well as to get money from under mattresses. « In industrially developed countries diversification of financial products and increase of their complexity, proceeding process of responsibility transposition from the governments and financial centers onto private persons, along with growing significance of individual retirement savings, will make financial education necessary for all consumers, since a school bench», - Zhukov said. In other words, citizens should get used to being responsible for their savings. That is why they should become skilled in financial terminology and themselves play the markets.

What way to choose for overcoming the barriers of financial competence is a vital question for Russia and countries of the New Silk Road.

The Treasury of the Russian Federation has prepared the financial competence improvement program. This is a five-year program – from 2009 to 2014. The Russian authorities are going to spend 100 million dollars on the program; 90 million will be

allocated from the budget, 10 million will be granted as a credit by the World Bank. Mass media will take part in this program, providing the information about markets and services; the allocated funds will be used for publishing special manuals. The business community evaluates how the financial competence of the population influences the development of domestic markets.

However the success of the program depends not only on the size of the budget, but also on a correct choice of target groups, information accents and coordinated actions of all market participants.

The universities should take their place in the process of the financial competence improvement.

One of the latest projects, «Improvement of financial competence of the population of Far East region», carried out by administration, the chair of «Finance and taxes» department together with «Strategic partnership» department of VVSU, is devoted to this problem.

The main purpose of the project was the reveal and research of citizens' perception features of financial institutions, research of financial competence and financial behavior of the population and building up the system of training the population of the region on this basis.

Does the financial information play a key role when the citizens choose the financial services or does the choice is stipulated only by the convenient office location and the friends' advice? The research conducted within the limits of the «Improvement of financial competence of the population of Far East region» project, should answer these questions.

Within the limits of the project it was found out how people trust banks, to what degree consumers of banking services feel protected, and how ready they are to place money in financial services and, if not ready, why. Monitoring of bank reliability was carried out among Vladivostok citizens. According to the research, 38% of investors approve that they regularly study the information which can prove the safety of their investments. Such «monitoring tendency» increases with growth of cumulative investments of the customer: thus, 29% of respondents whose

investments are not exceeding 100 thousand rubles, regularly carry out this monitoring, 44% of those customers who had invested 100-400 thousand rubles and about 73% of customers with the largest contributions do the same. During the project the level of people's awareness about the financial institutions, particularly the banks popularity in the region, and the also awareness degree about financing facility, rules and methods will be studied in Russia and in the countries of the new Silk Road.

Research is intended and it can be useful:

- during development and improvement of business education strategy as a whole and financial competence in particular;
- during development of promoting educational services among the citizens of the region;
- for studying of natural and legal persons spending pattern during the promoting the educational services with the purposes of citizens' financial competence improvement.