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FINANCIAL ANALYSIS OF HOUSEHOLD ECONOMY

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Abstract: In the article we present a study of methods and tools used to analyze the financial condition of households. In the context of a dynamic economic environment and the diversity of household financial decisions, the article highlights important aspects such as income, expenditure, investment and debt management at the household level. The study's findings aim to increase understanding of household financial health and offer practical recommendations to optimize their financial health.

Key words: financial analysis, household, income, expenses, investments, debt management, budgeting, economic well-being, financial stability, personal finance.

Аннотация: В статье представляем исследование методов и инструментов, используемых для анализа финансового состояния домашних хозяйств. В контексте динамичной экономической среды и разнообразия финансовых решений домохозяйств, статья освещает важные аспекты, такие как доходы, расходы, инвестиции и управление долгами на уровне домохозяйства. Результаты исследования направлены на расширение понимания финансового здоровья домашних хозяйств и предложение практических рекомендаций для оптимизации их финансового положения.

Ключевые слова: финансовый анализ, домохозяйство, доходы, расходы, инвестиции, управление долгами, бюджетирование, экономическое благополучие, финансовая устойчивость, личные финансы.

Introduction. Contemporary economic and financial market dynamics highlight the importance of financial analysis at various levels, including the household level. The household economy plays a significant role in the overall structure of the national economy, and its financial condition influences macroeconomic indicators. In this context, this article is devoted to the financial analysis of the household economy with the aim of better understanding and optimizing the financial situation of individual households.

Current trends, such as changes in market conditions, fluctuating inflation rates, and rising financial burdens, create unique challenges for households. Awareness of

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financial responsibility at the individual level is becoming increasingly critical in a context of heightened economic uncertainty.

The purpose of this article is to provide an in-depth financial analysis of a household's economy, focusing on income, expenses, investments and debt management. The study aims to identify key factors influencing the financial well-being of households and provide practical recommendations to improve their financial situation.

Main part. In modern conditions, effective financial analysis is becoming an important tool for determining the financial condition of households. Methods such as vertical and horizontal analysis of financial statements can identify trends in income and expenses, as well as assess financial stability.

Analysis of income structure is a key step in understanding the household economy. In this context, various sources of income are considered, such as primary employment, passive income, and possible sources of additional income. Similarly, the structure of expenses, including mandatory and optional expenses, as well as trends in changes in expenses over different periods are studied.

In the context of investment, the article analyzes the impact of investment on the financial stability of a household. Various forms of investment are considered, including savings accounts, securities, and real estate. Debt management is considered as a strategic aspect of financial planning, exploring effective methods for managing credit and minimizing financial obligations.

As a result of the research, we considered the following problems and considered it necessary to give our scientific proposals to them:

- Low level of financial literacy:

The problem is limited financial literacy among households, which can lead to poor financial management, poor investment decisions and debt overload. Many households may not have sufficient knowledge to plan effectively financially.

- Lack of access to financial services:

In some regions or for certain groups of the population, there may be limited access to financial instruments such as credit or insurance. This can create difficulties in managing the household economy and limit opportunities for financial growth.

- Debt burden and credit problems:

Many households are faced with the problem of accumulating and managing debt. High interest rates on loans, bad investments, or loss of income can lead to financial difficulties.

- Uneven distribution of income:

Problems with unequal distribution of income within households can impact financial well-being. This could lead to increased social and economic inequalities.

Suggestions for solving problems:

✓ Development of financial literacy programs:

Introduction of educational programs aimed at increasing the financial literacy of the population. Teaching the basics of budgeting, investing and debt management can greatly improve households' financial understanding.

✓ Expanding access to financial services:

Development of programs and mechanisms to ensure wider access to financial services, including microcredit, insurance and other instruments. This can lead to more effective financial management.

✓ Training in effective debt management:

Development and implementation of training programs aimed at effective debt management. This includes explaining the principles of borrowing, calculating interest, and creating strategies for paying off debt.

✓ Formation of policies to reduce inequality:

Developing and implementing policies to reduce unequal income distribution. This may include reforms to the tax system, support for social programs and the creation of conditions to increase household incomes.

✓ Encouraging investment in education and supporting entrepreneurship:

Promoting investment in education and supporting entrepreneurship at the household level can help increase income and create financial stability in the long term.

The overall solution to these problems requires a comprehensive approach that includes education, access to financial services, social reforms and stimulating economic growth at the household level.

Conclusions and offers. The results of the financial analysis highlight the importance of systematically monitoring and understanding the financial situation of households. Financial literacy and effective resource management are becoming key factors for ensuring financial stability and well-being of households.

The analysis revealed a number of trends and challenges, such as unequal income distribution, debt management challenges and limited access to financial services. These factors can have a significant impact on the financial well-being of households. The article's findings point to the need for systemic changes in the approach to financial education, access to financial services and market regulation. Effectively solving global problems requires the integrated impact and cooperation of various sectors of society.

Offers:

1. Implementation of educational programs: Development and implementation of educational programs on financial literacy at the level of schools and educational institutions. These programs should include practical aspects of budgeting, debt management and the basics of investment planning.

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2. Development of financial infrastructure: Promoting the development of financial infrastructure to improve access to financial services. This includes the development of microfinance institutions, the creation of online platforms for financial management and the expansion of the ATM network.

3. Support for social programs: Implementation and support of social programs aimed at reducing inequality and supporting low-income households. This may include programs for subsidized housing, access to education and health care.

4. Encouraging entrepreneurship: Creating conditions for the development of entrepreneurship at the household level, including financial support, training in entrepreneurship skills and the creation of a business-friendly environment.

5. Raising awareness of financial risks: Conduct campaigns to raise awareness of financial risks and possible strategies for managing them. This can help reduce debt burdens and prevent financial crises at the household level.

The overall solution is an integrated approach, including education, infrastructure development, social programs and stimulation of economic activity at the household level, which will create the conditions for sustainable financial development.

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