

REGIONAL FEATURES OF FORMATION OF HOUSEHOLDS FINANCIAL RESOURCES OF UKRAINE

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The structure of aggregate resources and cash incomes of households in Ukraine is analyzed. The general tendencies of remuneration of wages and social benefits are highlighted. The conditions of forming of financial resources of households by revenues from wages are estimated. On the basis of the conducted evaluation, the features and problematic aspects of the formation of financial resources of households in the regions of Ukraine were identified.

Key words: household, financial resources, cash income

The financial resources of households are an important element for the stable functioning of the state and is a reflection of living conditions and development of the population. In the modern economic system households are characterized by close linkages with other business entities, which are manifested in the processes of formation, distribution and use of financial resources. Each process has its own characteristics and implementation is a logical consequence of the previous one. So the functioning of the household as an investor is not possible to implement without the formation of an appropriate financial base. Instead, a person may not join social reproduction and generate savings without meet minimum physiological needs. Funding for the latter, along with the fact, requires the creation of a revenue base for the functioning of the household.

Statistics indicate that the composition of total resources of households (Table 1) remains constant over time with the prevalence of cash income.

Table 1

The composition of total resources of households of Ukraine, 2010-2011, % [1]

| The composition of total resources of households | Years | | | | | |
|--|-------|------|------|------|------|------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Cash income | 89,1 | 88,9 | 91,0 | 90,8 | 91,2 | 89,4 |
| The cost of consumed products received from personal auxiliary farming | 5,0 | 4,8 | 3,8 | 3,9 | 4,6 | 5,1 |
| Non-cash benefits and subsidies | 0,11 | 0,11 | 0,11 | 0,9 | 0,8 | 1,7 |
| Other income | 4,8 | 5,2 | 4,1 | 4,4 | 3,4 | 3,8 |

Along with that it is important to note that the increase in the share of cash income in 2015 is not a positive development and may be a reflection of changes in the general economic situation in the country (rising unemployment, lower wage levels, etc.), as well as reflect the mood of the population concerning the formation of a "safety cushion" in case of crisis. However, in a market economy, the financial instruments should be the provision that allows members of the household to meet their own needs.

Consider the structure of monetary incomes of the population allows to draw the following conclusions:

- income from wages, namely the wage remains the main source of revenue base for the functioning of the household;
- the tendency to increase of specific weight of such a component as "profits and mixed income"- can be considered positively, because the presence of this income reflects the share of income from entrepreneurial activities and business development;
- special attention should be paid to the situation regarding receipt of social assistance as a component of households ' cash income. A significant proportion of this income leads to a strong the population dependence on assistance (such as state, family, and third parties). Under the current economic situation in Ukraine, which is characterized by a significant share of expenditure on social security (2014 – 59,1%, in 2015 – 56,5% of the total state budget expenditures) and stable dynamics of the budget deficit (2014 and 78,1% in 2015 – 45,2%), burden on the state budget in the form of social benefits, is extremely burdensome[1].

Table 2

Structure of money incomes of population of Ukraine, 2011-2015 % [1]

| Indicators | 2011 | 2012 | 2013 | 2014 | 2015 |
|--|------|------|------|------|------|
| wages | 42 | 42 | 41 | 41 | 39 |
| profit and mixed income | 16 | 15 | 16 | 17 | 19 |
| property income (received) | 5 | 6 | 6 | 6 | 5 |
| social assistance and other received current transfers | 37 | 37 | 38 | 37 | 38 |

Along with similar trends originating from the existence of one state, namely the legislative base, the general tax and social policies in each region of Ukraine manifested specific features of formation of financial resources of households caused by certain conditions that exist in a particular area. For assessment and analysis of these conditions attention should be paid to this kind of income as wages, in fact it is relatively independent of state influence (adjustable lower limit by setting a minimum wage), occupies a significant share in the structure of income and can serve as an indicator of the general situation regarding the conditions of financial resources formation.

Methodical approach to assessing the conditions of formation of households financial resources by income payment is the calculation and analysis of the following indicators [2]:

- 1) an indicator of the level of unemployed population of the region ($\Pi_{p\delta}$);
- 2) indicator of the level of average wages in the region (Π_{3n});
- 3) an indicator of the level of arrears of wages in the region (Π_3).

According to the method, each of the indicators of the region compared with the value of the index the average for Ukraine, whose value is "1". The results of calculations are shown in table 3.

Table 3

The results of calculating the conditions of formation of households financial resources
by income from wage

| № | Region | $\Pi_{p\delta}$ | | Π_{3n} | | Π_3 | |
|----|-----------------|-----------------|---------|------------|---------|---------|---------|
| | | 2014 p. | 2015 p. | 2014 p. | 2015 p. | 2014 p. | 2015 p. |
| 1 | Vinnytsia | 1,24 | 1,37 | 0,81 | 0,81 | 0,13 | 0,13 |
| 2 | Volyn | 0,52 | 0,57 | 0,78 | 0,78 | 0,12 | 0,20 |
| 3 | Dnipropetrovsk | 1,69 | 1,84 | 1,05 | 1,04 | 1,03 | 1,53 |
| 4 | Donetsk | 1,26 | 1,04 | 1,11 | 1,19 | 11,61 | 4,60 |
| 5 | Zhytomyr | 0,94 | 1,05 | 0,79 | 0,78 | 0,13 | 0,11 |
| 6 | Zakarpattia | 0,47 | 0,44 | 0,79 | 0,81 | 0,04 | 0,08 |
| 7 | Zaporizhia | 1,41 | 1,39 | 0,99 | 1,00 | 0,59 | 0,74 |
| 8 | Ivano-Frankivsk | 0,78 | 0,72 | 0,83 | 0,81 | 0,10 | 0,05 |
| 9 | Kyiv | 0,92 | 0,98 | 1,00 | 0,99 | 1,25 | 1,57 |
| 10 | Kropyvnitsky | 0,99 | 1,08 | 0,80 | 0,78 | 0,31 | 0,41 |
| 11 | Luhansk | 0,82 | 0,48 | 0,97 | 0,82 | 3,59 | 6,47 |
| 12 | Lviv | 1,18 | 1,17 | 0,85 | 0,87 | 0,76 | 1,18 |
| 13 | Mykolaiv | 0,92 | 0,96 | 0,96 | 0,95 | 0,41 | 0,68 |
| 14 | Odessa | 0,80 | 0,80 | 0,90 | 0,93 | 0,23 | 0,68 |
| 15 | Poltava | 1,42 | 1,49 | 0,91 | 0,90 | 0,25 | 0,40 |
| 16 | Rivne | 0,80 | 0,82 | 0,87 | 0,85 | 0,09 | 0,16 |
| 17 | Sumy | 0,88 | 0,91 | 0,83 | 0,82 | 0,71 | 1,08 |
| 18 | Ternopil | 0,74 | 0,62 | 0,73 | 0,71 | 0,05 | 0,06 |
| 19 | Kharkiv | 1,41 | 1,43 | 0,90 | 0,88 | 1,14 | 2,07 |
| 20 | Kherson | 0,71 | 0,74 | 0,75 | 0,74 | 0,15 | 0,19 |
| 21 | Khmelnitsky | 0,84 | 0,83 | 0,83 | 0,80 | 0,08 | 0,07 |
| 22 | Cherkasy | 1,23 | 1,22 | 0,81 | 0,80 | 0,22 | 0,31 |
| 23 | Chernivtsi | 0,45 | 0,44 | 0,74 | 0,73 | 0,03 | 0,01 |
| 24 | Chernihiv | 0,75 | 0,79 | 0,77 | 0,79 | 0,18 | 0,24 |

As evidenced by the calculations, there are a stable situation and minor fluctuations in the whole region, in particular concerning the level of unemployed population of the region ($\Pi_{p\delta}$) (except Dnipropetrovsk region, which can be attributed to the limiting position to the ATO) and decreased the level of average wages in the region (Π_{3n}). But the indicator of the level of arrears of wages in

the region (Π_3) demonstrates the presence of significant changes, in particular, there is a significant increase of this indicator in Kharkiv, Sumy and Kyiv regions. This indicator is not only higher than the average for Ukraine, but also the deterioration of the situation in 2015 compared to 2014. The attention to the Donetsk and Luhansk regions is not emphasized deliberately in the analysis taking into account the existing situation and the military action taken place in the period under review.

For possibility of generalization of calculated data, estimation and comparison between the regions of Ukraine a range of limit values of indicators is introduced (Table. 4). This range is developed on the basis of empirical research of conditions of formation of households financial resources for 2002-2010.

Table 4

Limit values for indicators of conditions of households formation of financial resources
in the region received from wage

| Characteristics of conditions of formation | Intervals of fluctuations of values of indicators | | |
|--|---|-------------------------|-------------------|
| | $\Pi_{p\delta}$ | Π_{3n} | Π_3 |
| Well | $\Pi_{p\delta} < 0,8$ | $\Pi_{3n} > 1,1$ | $\Pi_3 < 0,5$ |
| Good | $0,8 < \Pi_{p\delta} < 1$ | $0,9 > \Pi_{3n} > 1,1$ | $0,5 < \Pi_3 < 1$ |
| Satisfactory | $1 < \Pi_{p\delta} < 1,3$ | $0,75 > \Pi_{3n} > 0,9$ | $1 < \Pi_3 < 1,2$ |
| Unsatisfactory | $\Pi_{p\delta} > 1,3$ | $\Pi_{3n} < 0,75$ | $\Pi_3 > 1,2$ |

Under the proposed limit values, it is possible to allocate following tendencies and features of conditions of formation of households financial resources of the regions of Ukraine in 2015, as received from the wage:

- none of the regions of Ukraine does not generate "perfect" conditions for the formation of household financial resources received from wages, according to these three indicators.
- only two regions of Ukraine (Odessa and Mykolaiv) form conditions on the three indicators at the level "excellent" and "good";
- the Lviv region should be also highlighted, where all three indicators are characterized by a "satisfactory" rating. This result requires attention to the current situation as unemployment in the region, and by income from wages. Decisions at the state level identified problems, possibly by enhancing the involvement of the population in the region to implement self-employment, in particular the development of green tourism and providing services for living and recreation through the implementation of a system of privileges in the taxation received incomes, the privatization of land;
- Zhytomyr, Kropyvnitsky and Cherkasy region, although having a "great" rate of payment of wages, however, demonstrate only "satisfactory" results regarding the level of employment in the regions and the average wages that are not competitive with other regions of Ukraine;

- two areas in Ukraine by results of 2015 by two indicators (unemployment and the level of debt on salary payment) can be evaluated as "unsatisfactory", Dnipropetrovsk and Kharkiv. The same situation negates the positive assessment regarding the level of wages. This situation is quite predictable it is through the proximity of areas in the combat zone and given the increasing population of these regions for internal migration due to the ATO.

The application of this methodology to assess the conditions of formation of financial resources has the particular relevance because of the limited capacity of the state to finance programs of economic and social development to overcome the identified problem areas, after all, a clear definition of the factors influencing the formation of financial resources of households and grouping areas of similar economic situations will give you the opportunity to target funding and to focus on problematic aspects.

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