DOI: https://doi.org/10.30970/fp.1-2(55).2025.120125126

JEL Classification: 336.1:364.6

ANALYSIS OF FAMILY BUDGET FINANCIAL FLOWS: THEORETICAL BASES AND PRACTICAL APPROACHES

SYTNYK Natalia
Doctor of Economic Sciences, Professor
Head of the Department of Financial Management
Ivan Franko National University of Lviv
ORCID ID: https://orcid.org/0000-0003-4138-9721

ZAKHIDNA Oksana
PhD in Economics, Associate Professor,
Associate Professor of the department of Financial Management
Ivan Franko National University of Lviv
ORCID ID: https://orcid.org/0000-0003-4964-3472

HRYTSAII Roman
Postgraduate of the Department of Regional Financial Policy
M. Dolishniy Institute of Regional Research of National Academy of Sciences of Ukraine
ORCID ID: https://orcid.org/0009-0008-3739-5110

Abstract. *The article examines the concept of financial flows in the context of the family budget, identifies the main sources of income and areas of household expenditure. Methods of analyzing financial flows and practices of effective financial planning are analyzed. An example of the structure of a family budget for three years is presented and the need to improve the financial literacy of the population is justified.*

Keywords: *family budget, household, financial flows, income, expenses, financial literacy.*

The article emphasizes that the family is an important economic unit that influences various levels of the economic system. Analyzing a family's financial flows is a key tool for ensuring financial stability in times of economic uncertainty. The purpose of the study is to conduct a comprehensive analysis of household income and expenditure dynamics for 2022–2024. The authors analyze existing studies, noting that although the topic of financial literacy and income structure is being studied, a comprehensive analysis of flows in recent years remains insufficiently covered.

The main results show that financial flows consist of regular and irregular income, as well as mandatory and discretionary expenditures. Based on a hypothetical example of a four-person household, the study examines how inflationary processes and rising social standards have affected the budget. The family's total income has increased significantly, mainly due to wages, which indicates the stability of the main source of income. At the same time, food expenses remain the largest share of the budget, which highlights the impact of consumer inflation.

There has also been an increase in spending on education and leisure, indicating a shift in family priorities towards improving quality of life. A positive trend is the increase in savings, whose share in total income has risen from 9.7% to 14.1%, which is in line with the recommendations of financial experts. The problem of insufficient financial literacy is highlighted as the main obstacle to effective budget management. This leads to a lack of accounting for expenses, planning, and savings, making families vulnerable to financial shocks.

The article offers specific ways to solve these problems. Among them is improving financial literacy through educational programs and self-study. It is recommended to set realistic financial goals, regularly review the budget, and automate savings. The implementation of these methods aims to increase the financial stability of the family budget. In summary, effective management of financial flows is the key to family well-being.

Reference:

1. Zhuravel V. (2021.) Personal finance and financial literacy: a textbook. Kyiv: KNEU.

2. Savluk M., Moroz A. (2019). Finance: a textbook. Kyiv: Center for Educational Literature.

3. Financial Literacy of Ukrainians: Annual Report. National Bank of Ukraine. URL: https://bank.gov.ua

4. Chumachenko M. (2020). Personal Finance Planning as a Tool for Achieving Financial Stability. Economic Bulletin of the University. 2020. No. 3. S. 118–122.

5. Methodological recommendations for family budget planning. Ministry of Finance of Ukraine. URL: https://mof.gov.ua/uk/

6. OECD/INFE Guidelines on Financial Education. OECD. URL: www.oecd.org