

THE ROLE AND FUNCTIONS OF PERSONAL FINANCE IN THE COUNTRY'S ECONOMY

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Abstract. *The article examines the characteristics of personal finance and identifies its place in the economy. The focus is on the functions of personal finance, which determine the specifics of personal finance as one of the elements of the financial system of the state. The main priorities of personal finance management are highlighted and key levels of human financial development are outlined.*

Keywords: *personal finance, financial management, human capital, sources of income, financial freedom, financial independence, financial security.*

Personal finance is an integral part of the country's financial system and is an important part of its financial resources. Personal finances have an important role in ensuring the stable and efficient functioning of the economy, as it serve as a source of financial resources for the state. In view of this, the definition of the place, role and functions of personal finance in the country's economy is becoming increasingly important.

The purpose of our article is to substantiate the place and role of personal finance in the economy, determine their functions, as well as to study the features of personal finance management in today's conditions.

Personal finance is characterized by certain features that distinguish it from public, municipal and corporate finance. Highlighting the characteristics of per-

sonal finance allows to justify their special role in the economy.

First, personal finance is primary in relation to public, municipal and corporate finance. Second, personal finance is the basis for the formation of local, corporate and public finances. Third, personal finances definitely belong to an individual person. Fourth, personal finance is characterized by the freedom of choice of the individual person in the field of income, expenditure, savings.

One of the important issues in the theory of personal finance there are their functions that emphasize the importance of personal finance as one of the elements of the financial system of the state.

We believe that the socio-economic nature of personal finance is manifested through the following functions: resource-generating, distributive, regulatory, investment, control. All the functions

of personal finance are interconnected and complementary.

The next stage of our scientific research was to identify the features of personal finance management. Thus, the main purpose of personal finance management, in our opinion, is to generate income for individuals, save and increase their personal funds, as well as the optimal distribution and use of individual financial resources to solve personal problems and meet personal needs.

Thus, from this point of view, personal financial management means a set of actions of each individual citizen, aimed at the formation, distribution and use of appropriate funds to ensure their financial security, financial independence, financial stability and maximize their individual well-being and quality of life.

Therefore, effective personal finance management is an objective necessity for every modern person. In order for the personal financial management process to be effective, factors such as financial behavior, national mentality and socio-demographic characteristics must be taken into account.

In the process of managing personal finances, the current level of financial condition (level of financial development) of a person is also important. By identifying oneself at one of these levels, a person has the opportunity to set clearer financial goals for their further financial development and to carry out more effective personal financial planning for the strategic perspective. We believe that the main levels of human financial development are: financial security; financial independence and financial freedom of person.

Summarizing the above, we note that in today's economic development it is important to rethink the role of personal finance as an independent part of the financial system of the state. Because it is the financial assets of the population form the main potential for social development. At the same time, it cannot be considered in isolation from the general financial system of the state, and it cannot be outside the financial relations that have developed and depend on the state of the country's economy.

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