Modern methods of managing household finances in Russia


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Abstract. In today’s world, the household is an essential part of a country’s economy, and the efficiency and quality of household activity determine a country’s well-being. In order to function effectively in a country’s economic system, the household has to analyze the needs and desires of the immediate participants. The data then informs the creation of savings opportunities and goals. In addition to setting the direction and objectives of household financial management, the immediate participants in the household make an indicative assessment of the financial resources they need to meet their needs. The economy of the household is based on a rather complex and contradictory set of relations between its participants. These relationships are determined by differences in age, character traits, habits of people, the unequal level of their needs and incomes. At the same time, the normal development of the household is possible only if the participants find mutual understanding when making economic decisions. Coordination of the socioeconomic interests of different members of the household is ensured by the regulation of these interests, which implies a possible change in the part of disposable income that comes to one member of the household.

1 Introduction

The role of the household in the economy is great, because most of the GDP in the form of goods and services is consumed by households, therefore, they form demand. Households create accumulations of financial resources, as a result, savings are formed, which are a source of investment in various sectors of the economy. Households are characterized by various accounting and statistical indicators that are used to analyze the state of society. In addition, households participate in all processes that occur in the economy. At the moment, households are in the current system of macroeconomic and microeconomic relations. They represent one of the most important socioeconomic institutions with certain forms of ownership, traditions and norms, mechanisms of self-regulation of life. As an economic entity, households are represented in financial markets, consumer goods and services, the labor market, and in other areas of the economy. They also...
2 Methodology and methods of research

The study uses scientific, mathematical, and statistical methods as scientific tools, including: systematic, logical, comparative analysis, grouping and generalization.

3 Main research findings and discussion

In examining the nature and functions of households, the issue of household wealth cannot be ignored. Household wealth is the difference between the value of a household's assets and the value of its liabilities and is one of the key determinants of private consumption. Increasing household wealth affects private consumption in the short term. The level of household wealth is an important factor influencing long-term consumption choices and growth. Together with expected future labour income, it determines the level of lifetime resources available to households.

Since private consumption is the largest driver of overall economic activity, household wealth has a significant impact on the state of the economy and thus on the rate of inflation. In turn, government monetary policy has an impact on welfare dynamics. It is therefore important to consider levels and changes in household welfare when determining appropriate monetary policy.

The peculiarity of household finances is its weak regulation by the state, which does not have instruments of direct influence on the processes of formation and redistribution of liabilities and assets, therefore, responsibility for their rationality and efficiency is assigned to households. At the same time, the efficiency of using available resources largely determines the material well-being of the population.

The process of managing household financial resources is a procedure for determining the directions and relative parts of the distribution of household financial resources. The financial resources of a household are a set of monetary funds and tangible assets, which, in turn, are available to the household, as well as intended to meet consumption needs and implement the household's savings opportunities.

For the analysis of household income in the Russian Federation, this study uses open statistical data collected from official websites, such as the website of the State Statistics of the Russian Federation and the website of the Ministry of Economic Development of the Russian Federation. If we consider the dynamics of money incomes of the Russian Federation population, we can note the following patterns. In general, there is an increase in the population's income in the dynamics of 2014-2021. At the beginning of 2014 the income was 22,890 rubles, at the beginning of 2021 the income of an average household was 31,791.2 rubles. Considering the dynamics of income by quarters, it can be noted that the population's income grows during the year. The income of the last quarter of the year is always significantly higher than the income of households in the first quarter of the following year, Fig. 1.

Let's consider the structure of household disposable resources by federal districts of the Russian Federation. The analysis showed that households in the Central Federal District have the highest money income, with positive dynamics observed for the period 2018-2021. The Northwestern Federal District is in the second place and there is a positive trend. The same high income is observed in the Far Eastern Federal District, in this case there is also a positive dynamic - household incomes are growing, Fig. 2.
Further, the structure of household disposable resources depending on the composition of the family will be analyzed, Table 1 [1].

The analysis showed that households consisting of two or more adults without children have the greatest resources – in the structure of this indicator, households consisting of two or more adults have the greatest resources, as well as one adult without children – in the structure of this indicator, households consisting of a working adult have the greatest resources, the resources of households consisting of one non-working adult has an income half as much as the working, Fig. 3.

Let us consider the volume and structure of money income of the population of the Russian Federation by sources of income. Analyzing the structure of household incomes, it should be noted that the main share is labor remuneration. The analysis of the results of each year showed that labor remuneration is always more than 50%. The second place is occupied...
by social transfers, which make up 18-19% in the aggregate structure of household incomes. Entrepreneurial activity and property income account for a rather small part of the aggregate income structure, Fig. 4.

Table 1. The structure of household disposable resources, depending on the composition of the family, as a percentage of the total

<table>
<thead>
<tr>
<th></th>
<th>Including:</th>
<th>1 individual</th>
<th>2 individuals</th>
<th>3 individuals</th>
<th>4 and more individuals</th>
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<tbody>
<tr>
<td>Disposable income</td>
<td>100</td>
<td>84.3</td>
<td>76.5</td>
<td>84.9</td>
<td>84.9</td>
</tr>
<tr>
<td>Expenditures</td>
<td>2.0</td>
<td>2.0</td>
<td>1.8</td>
<td>2.4</td>
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<tr>
<td>Savings</td>
<td>0.8</td>
<td>0.6</td>
<td>0.7</td>
<td>0.7</td>
<td></td>
</tr>
<tr>
<td>Income</td>
<td>12.9</td>
<td>20.9</td>
<td>12.6</td>
<td>12.0</td>
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</table>

Fig. 3. The structure of household disposable resources depending on the composition of the family in 2020-2021.
The results show that the majority of households are dependent on wages (hired labor). When crisis situations arise in the country, with the loss of the main income (payment for hired labor) most of the households lose their main source of income. The analysis of the real disposable income of the Russian Federation population will be conducted further. Examining the statistical data, it can be said that in recent years there has been an increase in real disposable household incomes. Thus, in 2020, the 2nd quarter showed better results by 1.0%, the 3rd quarter by 2.9%, the third quarter by 1.8%. The first quarter of 2021 showed a 0.2% decrease in income. The purchasing power of the average per capita money income of the population per month will be evaluated further. Considering the purchasing power of average per capita incomes with food, it is also possible to analyze the ability of households to buy certain products — their affordability for an average household, Fig. 5.

Thus, it can be noted that the most accessible to households are chicken eggs. Households can also quite freely purchase table salt, potatoes, cabbage, onions, carrots, wheat flour and cereals. It is more difficult for households to buy meat products and meat (beef, pork, lamb), butter.

Fig. 4. Structure of household incomes 2018-2021
Analyzing the distribution of the population by the value of average per capita money income, the main share of the average per capita money income in the period from 2016-2021 falls on the income from 27,000 to 45,000 rubles. Considering the dynamics, it should be noted that for the period 2016-2021 there is an increase in the share of households, whose incomes are between 27,000 and 45,000 rubles. The second place is occupied by households with incomes from 19,000 to 27,000 rubles. The dynamics of this category shows a decrease in the share in the period from 2016 to 2021. The population receiving more than 100,000 rubles is the smallest share in the structure of income. However, it should be noted that during the period 2016-2021 the share increased by 1.3% from 2.7% to 4%.

Fig. 5. The purchasing power of the average monthly per capita money incomes of the population in 2019-2021

Distribution of the population by the amount of per capita money income, 2018-2021

Fig. 6.
Thus, it is important for households not only to generate income, but also to be able to structure it and use it efficiently. Further, we are going to analyze the expenditures of households. Let us consider the disposable resources and consumption expenditures of households depending on the place of residence, on average per household member per month, in Table 2.

Table 2. Disposable resources and consumption expenditures of households depending on place of residence, on average per household member per month, rubles

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<tbody>
<tr>
<td>All households</td>
<td>16,087.9</td>
<td>16,770.3</td>
<td>17,490.3</td>
<td>19,169.2</td>
<td>18,506.0</td>
<td>20,506.0</td>
</tr>
<tr>
<td>Including:</td>
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<tr>
<td>Households with children under the age of 16</td>
<td>13,289.4</td>
<td>13,933.8</td>
<td>14,486.6</td>
<td>15,555.0</td>
<td>15,655.2</td>
<td>17,483.8</td>
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<tr>
<td>Including:</td>
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<td></td>
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<tr>
<td>Households with one child</td>
<td>14,991.4</td>
<td>15,992.0</td>
<td>16,503.8</td>
<td>17,599.3</td>
<td>17,810.1</td>
<td>17,599.3</td>
</tr>
<tr>
<td>Households with two children</td>
<td>12,061.7</td>
<td>12,725.7</td>
<td>13,215.5</td>
<td>14,257.3</td>
<td>14,298.2</td>
<td>15,661.1</td>
</tr>
<tr>
<td>Households with three or more children</td>
<td>8,698.4</td>
<td>8,615.3</td>
<td>9,595.0</td>
<td>10,182.8</td>
<td>10,369.8</td>
<td>11,228.6</td>
</tr>
<tr>
<td>Households without children under the age of 16</td>
<td>18,915.2</td>
<td>19,683.7</td>
<td>20,532.0</td>
<td>22,895.4</td>
<td>21,646.2</td>
<td>23,687.7</td>
</tr>
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</table>

The main sources of household cash receipts are money incomes. They make up 88% of all receipts, fig.7. Considering the dynamics of resources, it can be noted that there is an increase in money incomes. Over the year, they have increased by 8%. The amount of in-kind receipts increased by 9% over the period 2018-2021, the amount of funds raised by 5%.

Fig. 7. Household disposable resources in 2020-2021
Further, we are going to examine household consumption expenditures by category. In 2020, the main share was made up by non-food goods, Figure 8.

Fig. 8. Household consumption expenditures by category in 2020-2021

The second place was occupied by expenditures for food and the third place by expenditures for payment for services. In 2021 expenditures on food increased and came in first place in the structure of expenditures. Expenditures for non-food products moved to the second place, while expenditures for services remained in the third place.

If we consider the structure of household consumption depending on whether people live in rural or urban areas, it should be noted that the expenditures of rural and urban residents are identical in structure. The difference is in the amount of expenditures—it can be observed that the urban population spends larger amounts than the rural population.

Let us consider the structure of households' disposable resources and consumption expenditures depending on the level of average per capita disposable resources to groups of the population. Households spend the main share of income on food and non-food products.

The data on disposable resources, consumption expenditures and household consumption expenditures depending on the composition of the household and the number of employed individuals on average per member of the household per month is presented further.

When analyzing the data, it should be noted that consumption and consumer spending are most pronounced in households consisting of one adult without children and two or more adults without children. At the same time, it is possible to note a paradox that, according to the State Statistics Service of the Russian Federation, families with children spend less than families without children. Based on statistical data, it can be noted that at present the average household has increasing expenses and decreasing incomes. The population with higher income has higher expenses.

There is a need for investments into the country for successful economic development. Household savings are one of these most important potential sources. The situation in Russia is unique, because while the rate of savings for the economy as a whole is high, their volume in the household sector is extremely insignificant. In the conditions of the Russian Federation, the process of saving has an explicit specificity. It is reflected in the fact that with a generally high level of total savings of the population, the share of deposited funds is relatively small.

This is mainly determined by two reasons: the relative scarcity of the average income in the country; the lack of the habit of accumulating savings such as buying securities, precious metals, etc. In order to use this investment potential, it is necessary to achieve such a degree of attractiveness of the investment environment, which would maximally meet the...
4 Conclusion

In the modern economy, households play an important role due to the fact that households own the factors of production—households are the final consumers of goods and services produced by firms, so they create demand in the market in accordance with their tastes and preferences. Additionally, households, among other functions, provide all kinds of professional services; their activities are necessary to accelerate the economic development of the country and improve the standard of living of citizens.

On the basis of statistical data, it can be concluded that currently the average household has growing expenses and declining incomes. Based on the analysis, it was revealed that the main share of household funds is spent on basic necessities and utility bills. The average household with an average income level spends quite little on food, expensive goods and items.

The main share of household income in the Russian Federation consists of labor remuneration. If a crisis arises in the economy, workers may lose their jobs and most households will be on the verge of default or in a difficult economic situation. In addition, household incomes are affected by high utility rates and high food prices.

The authors of the article highlight the problems of effective management of household finances and propose a number of measures to improve the efficiency of household financial management.

References