

# ECONOMIC BEHAVIOR AND ECONOMIC SECURITY OF AN INDIVIDUAL IN THE CONDITIONS OF WAR RISKS

Nataliia Zachosova<sup>1</sup>

<sup>1</sup>Doctor of Science (Economics), Professor, Professor of the Department of Management and Public Service, Bohdan Khmelnytsky National University of Cherkasy, Cherkasy, Ukraine, e-mail: natazachosova@gmail.com, ORCID: <https://orcid.org/0000-0001-8469-3681>

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**Abstract.** Definitions of the concepts "economic behavior of a person" and "economic security of a person" are proposed. The economic behavior of a person is defined as a set of motives and economic decisions made by a person under their influence, which determine the priority and degree of importance of satisfying his economic needs, and the means and tools that will be used to cover them. The economic security of a person is understood not as the absence of economic challenges, dangers and risks for a person, but as the state of his/her economic life, which was the result of his/her rational economic behavior, and allows satisfying his/her economic needs and interests. Relationships between economic behavior and economic security of a person have been established. It is argued that economic behavior is determined by the conditions in which a person grew up and lived, and found himself at a specific moment in time. Economic behavior depends on the external environment – the state economic policy, the development of the social sphere, the presence or absence of military actions, the development of technological system, the level of integration of the national economy into the global competitive space, the quality of education, etc. On the other hand, patterns of economic behavior are formed under the influence of psychological characteristics of a person's perception of the world, his/her upbringing, the level of well-being and the model of handling financial resources that were inherent in the family in which a person was born. The structural elements of a person's economic security are characterized and the motives of economic behavior and factors influencing the state of economic security of a person in war conditions are summarized. The components of human economic security include: financial, informational, material, social, intellectual, communicative, legal, physical, technological, food components. The main motives of economic behavior of people during the war are: the need to save financial resources, the desire to restore spent savings; fear of an unknown economic future; search for alternative sources of income; the desire and need to help loved ones, including financially; predatory and parasitic perception of external financial and material help. Peculiarities of economic behavior of people are established, taking into account the realities of the military situation and the influence of threats and risks of war.

**Keywords:** economic behavior, behavioral economics, economic security, risk, war, economic decisions.

**JEL Classification:** D11, D91, J10

**Formulas:** 0; **fig.:** 3; **tabl.:** 1; **bibl.:** 30

**Introduction.** The behavior of people as consumers of economic goods largely determines their level of well-being, given the limited resources in the economic system. One cannot ignore the fact that "starting positions", that is, the initial level of life to which a person gets used to from a young age, the wealth or poverty that accompanies him or her, provoke or hinder the financial success. However, competent economic behavior is able to multiply the resources that a person has at disposal, prevent their excessive and pointless spending, and therefore, it will prevent more complete satisfaction of existing needs at a certain point in time. Therefore, determining the motives of human economic behavior and factors that influence economic decision-making is an urgent research task.

As the 2017 Nobel Prize laureate Richard Thaler notes, "If everyone includes all the factors that do determine economic behavior, then the field of behavioral economics will no longer need to exist" [1]. Thus, this scientific field remains an important and inexhaustible vector of modern science in terms of existing problems, especially in the realities of the transformation of behavioral economics under the influence of military operations that have been ongoing in Ukraine for more than a year. Uncertainty and anxiety, which arose and spread not only on the territory of Ukraine, but also in the European space, affect the economic behavior of people and lead to their loss of a sense of their own economic security. There is a logical explanation for this, because all European states are connected by a single market space, economic ties, logistics networks, labor migration flows, and the rapid growth of threats and risks in one of the sectors of the international economic system common to all states of Europe and the world immediately causes tangible impact on stability in other sectors. This is a kind of "economic butterfly effect", when war, military operations and the resulting economic decline in Ukraine led to the destabilization of the euro exchange rate, the threat of famine in African countries, and to the drop in the level of financial income from tourist services in the countries of Asia, America, and the European Union. World economic security, national economic security of any country, economic security of the region, economic security of economic entities, economic security of the household, economic security of a person is in a state of close and inseparable interdependence, and are in a cause and effect relationship with the economic behavior of economic relations participants. Changes in the motives of economic behavior of people caused by the war became a catalyst for conducting this study, because right now there is a non-standard set of factors influencing economic decisions that are worth studying in more detail.

**Literature review.** Modern researchers from many countries of the world call such scientists, laureates of the Nobel Prize in Economics as Richard Thaler [1], Herbert Simon [2], Daniel Kahneman [3, 4] the founders of the theory of behavioral economics and economic behavior. Herbert Simon, winner of the Nobel Prize in 1978, believed that a person gravitates towards rationality in the context of decision-making, including economic ones. The correctness of choosing the behavior model from the existing alternatives is thus determined by the adequacy in terms of the achievement of the set goal (for example, economic), taking into account all possible consequences, and the efficiency that accompanied the achievement of the desired result. Daniel Kahneman (who was awarded the Nobel Prize in 2002) studied the issue of irrationality of human behavior at the time of decision to accept risk (in particular, economic or financial). Neva Goodwin, Jonathan M. Harris, Julie A. Nelson, Pratistha Joshi Rajkarnikar, Brian Roa and Mariano Torras emphasize that the economic behavior of people is significantly influenced by factors such as time and emotions [5, p.213-216]. The scientific plane for the study of economic behavior is located at the intersection of economic and psychological sciences. Erik Angner and George Loewenstein describe in their publication the peculiarities of the psychology of economic behavior depending on the specific economic system [6] and note that "behavioral economics was a direct result of the cognitive revolution" [6, p.56]. In a study by Matthew O. Jackson, recent analyzes of social networks, both

empirical and theoretical, are discussed, with a focus on how social networks influence economic behavior [7]. So, even in 2009, the influence of social networks on economic behavior was obvious, and there is every reason to believe that now, in 2023, it has significantly increased due to the rapid pace of digitalization of the economy. The study of Sekścińska Katarzyna, Maison Dominika Agnieszka and Trzcińska Agata focused on the role of motivational systems (described by Higgins in the Regulatory Focus Theory) in explaining people's financial choices [8]. Philip Corr and Anke Plagnol establish connections between behavioral economics and economic behavior [9]. The influence of age on vectors of economic behavior is undeniable. The theory of generations is able to answer a large number of questions concerning the motives of economic decision-making by different categories of the population. In the research of Matthias Sutter, Claudia Zoller and Daniela Glätzle-Rützler, the peculiarities of the economic behavior of children and adolescents are studied [10]. At a young age, the foundations of financial literacy are laid, models of "adult" economic decision-making are formed – with a tendency to risk, spend, invest or save available resources. An interesting field of research is the motivation of people of different ages to one or another model of economic behavior, and tracking its transformation under the influence of time, risks and threats.

The economic behavior of a person, rational or irrational, can increase or, accordingly, decrease the level of personal (individual) economic security. At the same time, in the scientific publications of recent years, these two categories are not considered at the same time and the connections between them are not tracked. Therefore, the started research has scientific value, and in the future will have practical significance.

**Aims.** The purpose of the study is to establish the characteristics of economic behavior of people, taking into account the realities of the military situation and the influence of threats and risks of war on the motives for making economic decisions and the state of individual economic security. To realize the set goal, it is necessary to perform several research tasks, in particular: to provide a definition of the concepts of "economic behavior of a person" and "economic security of a person"; to establish and demonstrate the connections between economic behavior and economic security of a person, to characterize the structural elements of individual economic security and to generalize the motives of economic behavior and factors influencing the state of economic security of a person in war conditions.

**Methodology.** The research is based on the use of the method of content analysis, which was used to specify the concept of individual (personal) economic security and determine the motives of economic behavior of people in peacetime and in conditions of war. The monographic method was applied during clarification of the content essence of concepts and categories for the formation of a scientific and methodological basis for managing the economic security of an individual. The methods of analysis and synthesis made it possible to outline the range of factors influencing economic behavior and economic security of people. The graphic method made it possible to systematize and visualize the main results of the conducted research, including demonstrating the connections between the categories of economic behavior and economic security of a person, as well as visualizing the

structural elements of a person's economic security. The generalization method made it possible to form concise conclusions and recommendations based on the materials of the analytical work.

**Results.** Ivanova N.S. notes: "Economic security of the individual is the main object of the economic security system and represents the state of protection of his/her vital interests in the economic sphere. The economic security of the individual is expressed in the preservation of the most important interests of the individual included in socio-economic relations and forms the basis of his progressive development" [11, p.13]. It is proposed to consider the economic security of the individual in an inextricable connection with the state of satisfaction of the economic needs of a person. Assessing the level of personal economic security in such a case will involve the identification of personal economic interests, their ordering according to the level of significance, the impact on a person's ability to lead a normal economic life for him, for example, their rating with the subsequent establishment of the degree (percentage) of satisfaction of these interests in relation to the possible maximum or optimum. It is unlikely that it will be possible to develop a universal methodology for such diagnostics, because people's economic interests can differ significantly, as well as their perception of the degree of satisfaction or dissatisfaction of their basic economic needs. At this stage, psychological science with its specific research methods and techniques should be connected to the evaluation process. However, it is possible to put forward a hypothesis about the possibility of choosing a number of basic economic needs and interests of a person, a kind of "consumer basket", but in the system of ensuring personal economic security, and based on the state of satisfaction of these needs, determine the minimum level of economic security of a person. We find confirmation of the rationality of such an assumption in the definition of individual economic security proposed by the International Committee of the Red Cross (ICRC). ICRC and Global Social Development Innovations define economic security as «the ability of individuals, households or communities to cover their essential needs sustainably and with dignity. This can vary according to an individual's physical needs, the environment and prevailing cultural standards" [12, 13]. Economic security in this context is defined in accordance with such categories as food consumption, food production, income, living conditions, capacity. Now in Ukraine we are observing a situation where the needs for housing, nutrition (access to food and its quality) and normal living conditions are violated by war. Thus, part of the population is in a state of economic danger and must transform its economic behavior to meet the basic needs of not only economic, but even physical survival.

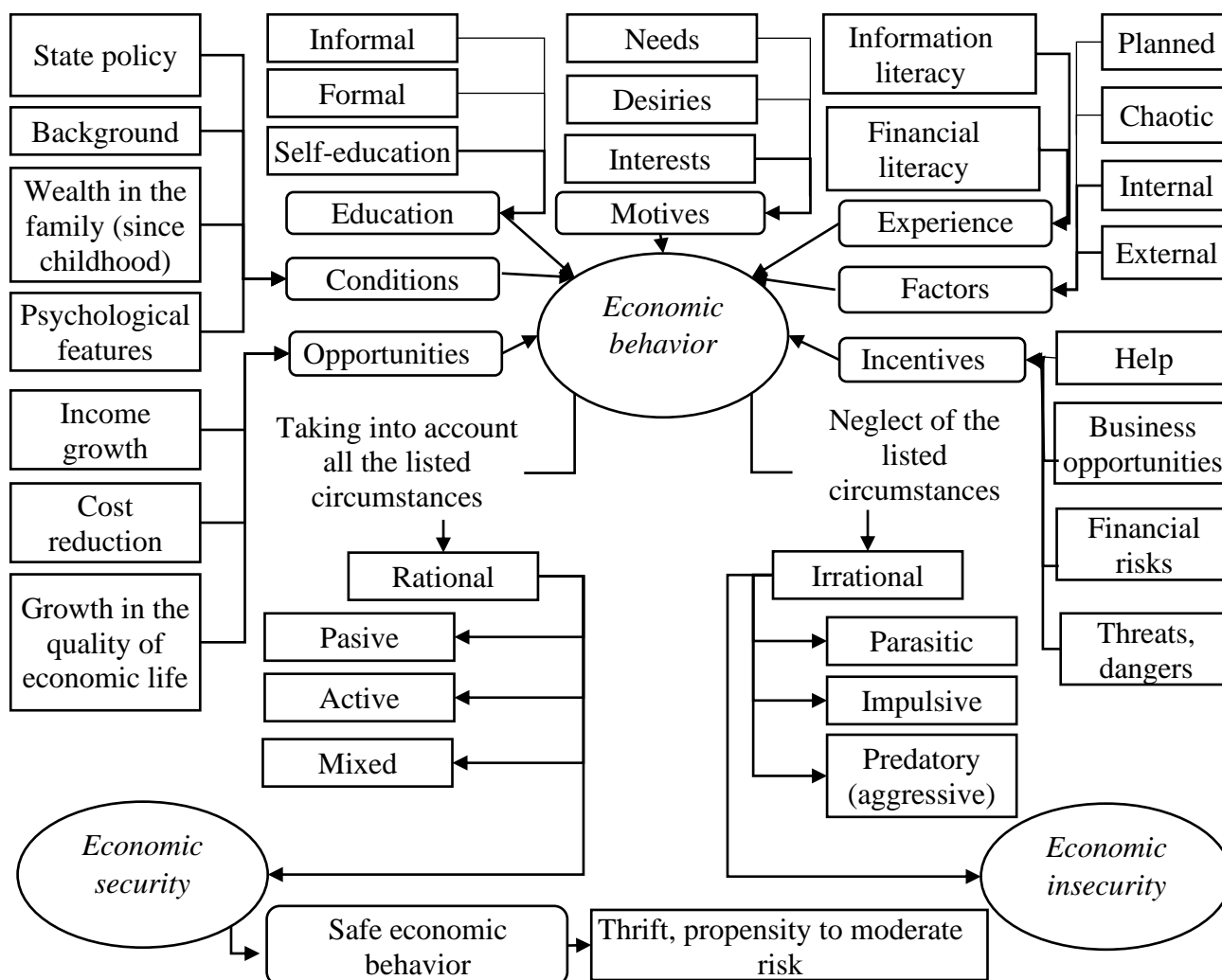
According to Kathryn Anne Edwards and Griffin Murphy, the four pillars of economic security are: labor, benefit, protection and equity [14]. The strength and functionality of these pillars largely depends on state policy. These columns form a protective environment for the economic security of the population, create a space with external conditions and factors necessary for self-sufficiency of a person's own economic security at the current moment of time and in the future.

Jacob S. Hacker, the Director of the Institution for Social and Policy Studies and Stanley B. Resor Professor of Political Science at Yale University defines economic

security as "vulnerability to economic loss and treats "economic" as a description of the consequences (such as income loss) rather than the causes of insecurity" [15]. At the heart of this opinion is an appeal to the economic behavior of a person, because it is thanks to his/her rational economic actions that losses can be minimized, vulnerability to them and their consequences – reduced due to savings, additional sources of income, etc. There can be many reasons for economic danger, and now war is the main one. But economic security or danger is considered not as a consequence of the impact of existing and potential threats, but as a result of the process of human behavior, which allows this impact and this undesirable result to prevent and avoid negative economic consequences. Therefore, the state of economic security is not the absence of economic challenges, dangers and risks for a person, but the state of economic life, which was the result of rational economic behavior, and allows satisfying his/her economic needs and interests. The author's proposed definition is based on the connection between the categories of a person's economic security and his/her economic behavior. A person's economic behavior is a set of motives and economic decisions made by a person under their influence, which determine the priority and degree of importance of satisfying his economic needs, and the means and tools that will be used to cover them. Economic behavior depends on external factors – the economic environment that is formed at the state level through the development and implementation of national economic policy, and on internal factors that are determined by the psychological characteristics of a person, his/her susceptibility to risks, upbringing, education, levels of financial and information literacy, work capacity, motivation, etc. Age and gender categories should also be taken into account, because these factors can significantly affect a person's economic needs and interests (Figure 1).

Balanyuk I.F., Maksymyuk M.M. believe that a person's economic security is determined by the ratio of income, expenses, and savings of an individual [16, p.143]. However, the essential understanding of this category and its use as a characteristic of the standard of living of the population makes it impossible to limit it to only a few financial indicators. Thus, the evaluation of the level of Well-being, which is constantly carried out by specialists of the Organization for Economic Cooperation and Development (OECD), covers a large number of parameters and indicators that can be used to characterize the level of economic security of the population of a particular country.

These are indicators such as Housing (Dwellings without basic facilities, Housing expenditure, Rooms per person), Income (Household net adjusted disposable income, Household net wealth), Jobs (Labor market insecurity, Employment rate, Long-term unemployment rate, Personal earnings ), Community (Quality of support network), Education (Educational attainment, Student skills, Years in education), Environment (Air pollution, Water quality), Civic engagement (Stakeholder engagement for developing regulations, Voter turnout), Health (Life expectancy, Self-reported health), Life Satisfaction, Safety (Feeling safe walking alone at night, Homicide rate), Work-Life Balance (Employees working very long hours, Time devoted to leisure and personal care) [17].



**Figure1. The connections between economic behavior and economic security of the individual**

*Source: developed by the author*

In particular, according to the indicator of Household net wealth, the top three positions are held by Luxembourg, the USA and Australia, according to the indicator of Personal earnings – by the USA, Iceland and Luxembourg, according to the indicator of Student skills – by Estonia, Japan and Korea, according to the indicator of Life expectancy – by Japan, Switzerland and Spain, according to the Life Satisfaction indicator – by Finland, Iceland, Denmark (Table 1) [17].

Most often in the presented table we find such countries as the United States, Switzerland, Luxembourg, Finland, the United Kingdom, Canada, New Zealand, from which we conclude that these countries have a favorable economic climate, formed by the state, for the rational economic behavior of people and to make sound economic decisions. Accordingly, these countries have a high standard of living and economic security of citizens, provided they have rational economic expectations.

There are no such statistics for Ukraine, however, it is logical to conclude that some indicators under the influence of threats provoked by the war would have minimal values in 2022-2023.

**Table 1. Top-5 countries in Better Life Index-2022**

Indicator	Leader	2-d place	3-d place	4-th place	5-th place
Housing expenditure	Slovak Republic	New Zealand	Czech Republic	Denmark	United Kingdom
Rooms per person	Canada	New Zealand	United States	Belgium	Ireland
Household net adjusted disposable income	United States	Luxembourg	Switzerland	Norway	New Zealand
Household net wealth	Luxembourg	United States	Australia	United Kingdom	New Zealand
Labour market security	Iceland	Germany	Finland	Luxembourg	Austria
Employment rate	Switzerland	Iceland	Netherlands	Germany	Japan
Long-term unemployment rate	Korea	Mexico	Israel	New Zealand	Canada
Personal earnings	United States	Iceland	Luxembourg	Switzerland	Netherlands
Quality of support network	Iceland	Czech Republic	Finland	Ireland	Norway
Educational attainment	Non-OECD Economies	Czech Republic	Lithuania	Poland	Canada
Student skills	Estonia	Japan	Korea	Canada	Finland
Years in education	Australia	Finland	Sweden	Belgium	Denmark
Air pollution	Africa	Korea	Turkey	Chile	Poland
Water quality	Norway	Finland	Iceland	Sweden	Switzerland
Stakeholder engagement for developing regulations	Mexico	United Kingdom	United States	Slovak Republic	Canada
Voter turnout	Australia	Luxembourg	Belgium	Sweden	Turkey
Life expectancy	Japan	Switzerland	Spain	Italy	Korea
Self-reported health	Canada	United States	New Zealand	Australia	Ireland
Life Satisfaction	Finland	Iceland	Denmark	Netherlands	Switzerland
Feeling safe walking alone at night	Norway	Slovenia	Finland	Luxembourg	Austria
Homicide rate	Japan	Luxembourg	United Kingdom	Iceland	Switzerland
Employees not working very long hours	Non-OECD Economies	Netherlands	Switzerland	Sweden	Lithuania
Time devoted to leisure and personal care	Italy	France	Spain	Norway	Germany

Source: compiled by the author on the basis [17]

According to the Quality of Life Index 2023, Ukraine ranks 59th among 84 countries evaluated by experts. According to the Purchasing Power Index, Ukraine ranks 57th, according to the Safety Index – 58th, and according to the Cost of Living Index – 79th [18]. The Recommended Minimum Amount of Money for food (2400 calories, Western food types), which for Ukraine is set at the level of 4,904.9 UAH

[19] with a minimum wage in 2023 of 6,700.0 UAH, is quite indicative. The World Happiness Index 2023 places Ukraine in 108th place out of 146 countries in the world (in the previous report, which was published in 2022 but covered data for 2019-2021, Ukraine was in 98th position). The value of the index is based on indicators of people's satisfaction with their lives, confidence in "tomorrow", health, perception of corruption, peaceful environment, ability to count on existing friends, freedom of action and emotional state (perceived joy, sadness, anger or stress) [ 20]. Regardless of the fact that the indicated indicators characterize the macro level, they are formed on the basis of individual opinions, the perception by individual respondents of the reality that surrounds them, including in economic life, and, therefore, forms patterns of their economic behavior and stimulates the adoption of certain economic decisions.

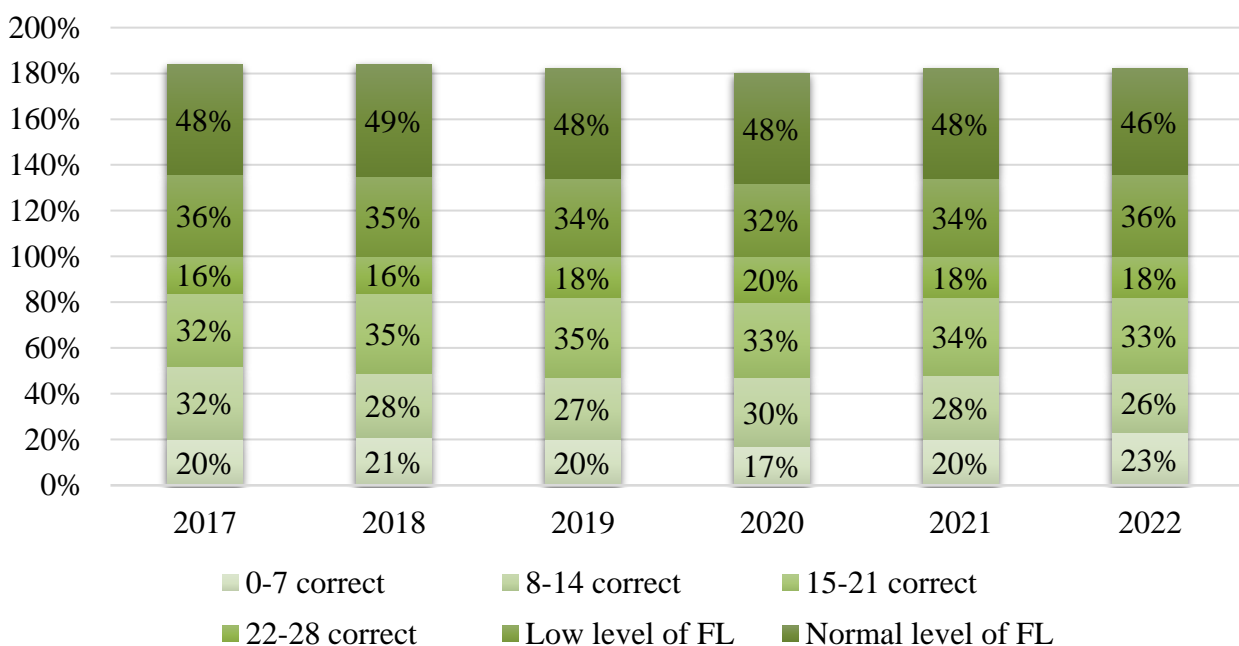
In 2009, in his study "Economic behavior of a person and his mental motives", K.Z. Voznyi wrote: "Nowadays, capitalist-oriented features of mentality are beginning to manifest themselves more and more noticeably in the behavior of Ukrainians: rationalism in behavior, individualism, independence, willingness to take risks, the desire to earn and make investments, the desire to live better, healthy careerism, etc. Only such changes will allow building and streamlining the system of values of a new, effective Ukrainian economy. However, they do not take place dynamically enough, but this is obviously the inertial specificity of the people's mentality" [21, p.13-14].

Bazetska G.I. emphasizes that every day a person makes one or another economic decision, that is, he/she is faced with the need to be aware of a problem or need, which forms a motive that determines the purpose of economic action and the means by which this purpose is realized. Making an economic decision can be rational, pragmatic or intuitive [22, p.56].

The rationality or irrationality of a person's economic decision depends significantly on the level of his financial literacy and the presence or absence of wealth management skills (wealth management includes investment advisory services catering to affluent clients; wealth management services offer wealthy individuals and their families a holistic approach to building and managing assets and investments) [23]. Research on the issue of financial literacy covers a number of publications by modern scientists [24-26]. Source [26] traces the connection between a person's level of financial literacy and his/her financial behavior. Financial literacy skills mean having the confidence, knowledge, and skills needed to make financial decisions that promote financial self-sufficiency, stability, and well-being. These skills include the ability to effectively locate, evaluate, and use information, resources, and services and to make informed decisions about financial obligations, budgeting, credit, debt, and planning for the future [27, p.1]. Understanding the importance of increasing the level of financial literacy of the population at the theoretical and practical levels led to the need to develop tools for its assessment, as well as the formation of a statistical base to ensure data comparison in different countries of the world, determination of normative and permissible values, establishment of benchmarks, etc. One such indicator is the P-Fin Index. The TIAA Institute-GFLEC Personal Finance Index (P-Fin Index) measures knowledge and



understanding that enable sound financial decision making and effective management of personal finances among U.S. adults [28]. Over 6 years of research, the experts of the TIAA Institute have established that only about 50% of respondents are able to correctly answer the questions asked when determining the level of financial literacy (49% in 2017, 50% in 2018, 51% in 2019, 52% in 2020, 50% in 2021, 50% in 2022) [28]. Observations and analysis proved that about 16-20% of Americans answer  $\frac{3}{4}$  of the questions correctly, that is, they have a high level of financial literacy. In our opinion, those who gave correct answers to 15-21 questions and at least half of those who gave correct answers to 8-14 questions (closer to 14 correct answers) can be considered to have a sufficient (normal) level of financial literacy). Those who gave correct answers to 22-28 questions have a high level. The rest should be classified as persons with a low level of financial literacy (Figure 2). Such: 36% in 2017, 35% in 2018, 34% in 2019, 32% in 2020, 34% in 2021, 36% in 2022.



**Figure2. Determination of P-Fin Index by counting correct answers to given financial questions**

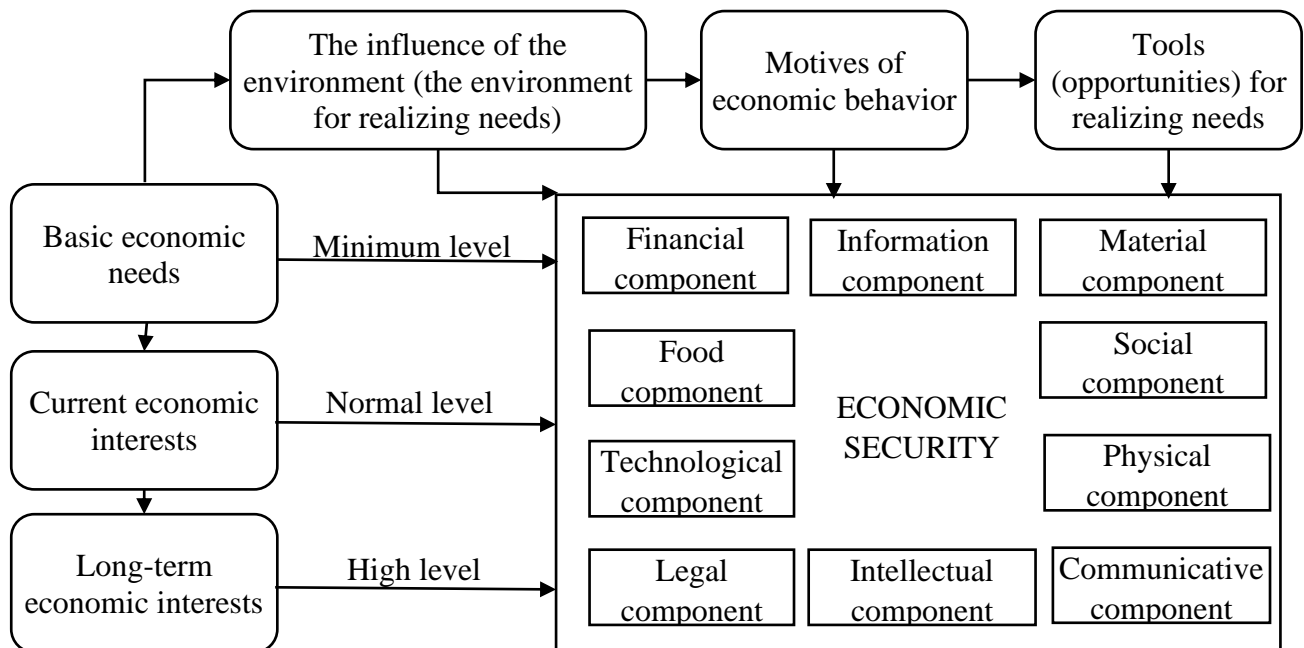
*Source: compiled by the author the basis [28]*

The OECD Financial Literacy Index is calculated based on 5 questions about financial attitudes, 7 questions about the level of financial knowledge and 9 questions about financial behavior. The value of the index varies from 1 to 21 points. Achieving the maximum (21 points) means having basic knowledge and skills in using finances [29, p.12]. According to the OECD methodology, the overall financial literacy index of Ukraine in 2021 was 12.3 points (or 58% of its maximum value). Factors affecting the level of financial literacy were: age, income, education, place of residence, ability to use technology and availability of savings among respondents [29, p.3-5]. Experts note the tangible impact of COVID-19 on the financial well-being of the respondents. The following criteria were evaluated: financial behavior, attitude to financial issues (problems) – financial motives, financial knowledge and understanding of the rights of consumers of financial products and services, the

population's perception of their own level of financial well-being, knowledge of financial products and services and the practice of using them, demography [ 29, p.11]. In 2022 and 2023, similar studies were not conducted.

A report from the National Financial Educators Council shows that 38% of individuals in a recent survey said their lack of financial literacy will cost them at least \$500 in 2022, including 15% who said it will set them back by \$10,000 or more. That's up from about 11% in 2021 [30]. Thus, irrational economic behavior, impulsive financial decisions negatively affect the state of economic security of a person.

**Discussion.** Therefore, the level of personal economic security is largely determined by the model of a person's economic behavior, his propensity to risk, primarily in economic or financial contexts, willingness to spend or, on the contrary, save available resources, the desire to increase his own level of financial literacy in order to obtain arguments and rationalize the adoption economic decisions. Based on this hypothesis, we will build an oriented structure of the system of economic security of the individual (Figure 3).



**Figure 3. Structural elements of personal economic security**

*Source: developed by the author*

The normal functioning of all structural elements of a person's economic security system depends on the external environment, and first of all, on the economic conditions and standard of living established in the state where a person lives. The war became a factor in the significant transformation of the economic behavior of Ukrainians and destroyed the economic security of many of them. The threats and risks of war affect the motives for making economic decisions, and the economic behavior of people begins to acquire the following characteristics:

- the level of daily expenses of the population decreases; consumer needs of temporarily displaced persons or those under occupation are partially or fully met by volunteers and international organizations;

- long-term financial savings are spent – for housing rent when moving, for restoration of destroyed houses, apartments, etc.;

- people demonstrate a tendency to save due to uncertainty about the future, loss of work and usual sources of additional income (for example, from renting out premises in occupied or destroyed territories);

- preference is given to cash payments, large sums of money are withdrawn from bank accounts, the purchase of currency by those who have free financial resources and the sale of currency values by those who used them as financial savings are intensified;

- the demand for inexpensive goods (cheap types of food, products for long-term storage, clothes that have been used or are sold at discounts) is increasing;

- the demand for services (hairdressing, cosmetics, catering, transportation, etc.) decreases;

- the demand for entertainment (cinemas, entertainment centers, amusement parks) decreases; this is facilitated not only by the need to economize on the provision of secondary needs, but also by a strong psychological attitude – war is not a time for entertainment;

- expenses for communal services increase, as people spend more time at home, in the family circle; at the same time, this tendency can be leveled by the mode of saving resources, which is introduced by the majority of families in conditions of financial hardship;

- the propensity to financial risk increases (lottery games, gambling) – the loss of traditional sources of income and the appearance of free time in case of unemployment serve as motives for searching for opportunities for quick enrichment with minimal contributions of financial resources;

- search for sources of income, including in the shadow sector (willingness to agree to wages lower than the legally established minimum, normal perception of wages "in an envelope");

- in the area of ensuring individual food security – growing interest in natural farming, growing basic food products on homesteads, in rural areas, etc.

Thus, the main motives of economic behavior of people during their stay in the territories of military operations or in conditions of temporary displacement are: the need to save financial resources, the desire to restore spent savings; fear of an unknown economic future; search for alternative sources of income (priority – remote employment and low-skilled work or vice versa – tasks for people with unique skills and narrow specialization); the desire and need to help loved ones, including financially; on the other hand – a predatory and parasitic perception of external financial and material assistance (expressed in behavior – I suffered, everyone should help me). This model of behavior leads to emotional and economic exhaustion of some sections of the population and to speculative enrichment and loss of own labor and intellectual value of others. The standard of living of the population and the level of economic development in Ukraine with the beginning of a full-scale war formed

two characteristic roles of the population's economic behavior: economic predator (active role) and economic victim (passive role). At the same time, both of them are in a state of economic danger, since the lack of stability of the economic situation and the spread of the realities of the war economy to public life excludes the possibility of planning the economic future for the long term, minimizes investment and entrepreneurial opportunities, demotivates in the processes of self-development, starting innovative business initiatives. Of course, there are new opportunities to stabilize individual economic security – grant programs, projects of financial support from international and domestic budgetary and non-budgetary organizations, however, in order to receive funding, you have to make efforts and show perseverance, usually, form a team of performers, look for starting or additional resources, draw up a package of documents, present your business ideas, which is not always possible in the conditions of war, continuous psychological stress, chronic fatigue and limited time resources. Therefore, it is necessary to call on agencies and foundations that seek to promote the economic recovery of Ukraine and strengthen the state of economic security of its citizens, to reduce the level of formalization of project applications and to make quick economic decisions by donors based on personal communication with potential recipients.

Studies of economic and financial behavior have shown that a person's age creates a tangible impact on his economic decision-making, including in the context of ensuring personal economic security. Taking into account other influencing factors and being aware of the motives of economic behavior of young people, we can offer the basics of the concept of rational economic behavior of young people in the conditions of military operations. The foundation should be economic education in a distance or mixed format, the study period is from 1 to 3 months (express training, course training). The use of financial products and services online should be encouraged, in particular, by lowering the price of such services. It is advisable for young people to draw up an individual financial plan specifying their financial goals for the short-term and the current period, indicating the tools and means of achieving them in the future. It is important to allow for the existence of different scenarios of the development of economic life: optimistic, realistic and pessimistic – with amendments for different possible durations of military operations on the territory of Ukraine. It is advisable to review personal economic needs – regarding the size of housing, in the case of rent, clothing, the need to have a car, etc., rank them according to the level of importance and abandon those that are not critically necessary at the current stage of life and taking into account the prevailing economic conditions. Thus, the conceptual foundations of the economic behavior of young people in wartime conditions should be: financial literacy, thrift, minimization of financial risk, perspective financial planning, multiple sources of financial income (we are talking about the need to find a job, additional income, as teenagers do in USA, even if supported by parents or other relatives), availability of savings (at least minimal) in cash and non-cash forms; possession of several tools for non-cash payments (for example, a bank card and a phone with a chip).

**Conclusion.** The conducted study of economic behavior and economic security of an individual in the conditions of war risks made it possible to draw the following important conclusions.

1. Definitions of the concepts "economic behavior of a person" and "economic security of a person" are proposed. The economic behavior of a person is defined as a set of motives and economic decisions made by a person under their influence, which determine the priority and degree of importance of satisfying economic needs, and the means and tools that will be used to cover them. The economic security of a person is understood not as the absence of economic challenges, dangers and risks for a person, but as the state of economic life, which was the result of rational economic behavior, and allows satisfying economic needs and interests.

2. Cause-and-effect relationships between economic behavior and economic security of a person have been established. Economic behavior is determined by the conditions in which a person grew up and lived and found himself at a specific moment in time. They depend on the external environment – the state economic policy, the development of the social sphere, the presence or absence of military actions, the technological system, the level of integration of the national economy into the global competitive space, the quality of education, etc. On the other hand, patterns of economic behavior are formed under the influence of psychological characteristics of a person's perception of the world, his/her upbringing, the level of well-being and the model of handling financial resources that were inherent in the family in which a person was born. In the process of economic life, a person gains experience, increases the level of financial and information literacy, and has personal motives for making certain economic decisions. If a person's economic behavior is rational, that is, such that it allows them to satisfy their own economic needs and realize their interests through the use of available and acquired economic resources, they reach a state of economic security. In the case of making irrational economic decisions that lead to a state of constant anxiety about the financial future, provoke a permanent search for sources of income to ensure current basic needs – for food, housing, paying for utilities without the ability to form reserves and receive passive income – a person finds himself in a state of economic danger, which in the long run may lead to personal bankruptcy and loss of all means of livelihood.

3. The structural elements of economic security of a person have been established and the motives of economic behavior and factors influencing the state of economic security of a person in the conditions of war have been summarized. The components of human economic security include: financial, informational, material, social, intellectual, communicative, legal, physical, technological, food. The main motives of economic behavior of people during the war are: the need to save financial resources, the desire to restore spent savings; fear of an unknown economic future; search for alternative sources of income; the desire and need to help loved ones, including financially; predatory and parasitic perception of external financial and material assistance.

4. The peculiarities of the economic behavior of people, taking into account the realities of the military state, have been established. Threats and risks of war exert a restraining influence on the motives for making economic decisions, stimulate

savings, in some cases – to spending, and in others – to the formation of savings, the search for additional sources of income, the readiness to accept additional financial risks, the tendency to try out various forms of quick earnings and illegal forms of employment. The state of individual economic security of people whose lives were affected by military operations is characterized by instability and is such that changes cannot be reliably predicted. Depending on the model of economic behavior chosen by a person, the level of economic security can increase (if the tactics of the economic predator are chosen) or decrease (if the tactics of the economic victim are chosen). At the same time, war is a type of threat, the impact of which can be fatal for the economic and physical life of a person. Therefore, we believe that no citizen of Ukraine is currently in a state of absolute economic security.

Prospects for the further development of the started scientific research are seen in the study of the characteristics of the economic behavior of young people and the identification and tracking of their transformations under the influence of military actions and other risks and threats, the appearance of which was provoked by the war.

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