EUROPEAN EXPERIENCE IN IMPROVING THE FINANCIAL LITERACY OF THE POPULATION AS A STRATEGY FOR EFFECTIVE PERSONAL FINANCE MANAGEMENT

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A person is always a significant subject in any economic system, as their active actions influence its development and improvement. However, the issue of the relationship between an individual and society in economic (and any other) activities, as well as the philosophy of complex interactions between an individual and the state, will always be systemic problems. These problems are addressed in various ways at each stage of human historical development.

In modern Ukraine, the ideas of humanizing the economic space and prioritizing the individual as the main goal of societal development remain relatively abstract and not fully realized. However, the primary issue in Ukrainian society remains the insufficiently dynamic and comprehensive development of the individual as a personality, as well as their relatively low economic and political culture.

In the context of globalized markets, the formation and utilization of financial resources by individual citizens and households take on new significance. The opportunities for utilizing personal financial funds and the impact of individual financial decisions on both personal and public finances, as well as on business finances, have significantly increased. This stimulates both the science and practice to reconsider the role of the individual, their own resources, and decisions in their utilization within socio-economic processes [1].

Certainly, the individual motives of each economic participant influence the economic system, the formation of overall consumer demand, and investments in the economy. In the social sphere, this influence shapes behavioral standards, fosters a particular culture in all its manifestations, and promotes human development. However, on the other hand, the inaction of certain individuals in utilizing their financial resources can also have a significant impact on the economy, no less than the deliberate actions of a few specific subjects in financial-economic relations.The role of personal finances in a country's financial system has multiple dimensions. The population is the most important actor in the distribution and redistribution of the national income. The size and distribution of financial resources among individual citizens and households have a significant impact on distribution and redistribution processes in the public, corporate, and financial sectors of the market.

In the course of the development of market-based economic practices and globalization of economic relations, the processes of forming and utilizing financial resources by citizens take on new significance. The purpose of the existence and development of economic relationships is no longer solely the wealth of society as a whole, but rather the well-being of each individual. This is associated with the expansion of opportunities to use personal finances and the increasing influence of financial planning on both personal and societal financial well-being [2].

Education, culture, habits, the level of development, and the behavior of an individual significantly contribute to their degree of self-realization in the labor market, which directly impacts their future income. On the other hand, these factors also provide the opportunity to shape economic relationships within the family and household, which has a substantial influence on the distribution and utilization of citizens' earned income.

The formation of overall consumer demand is achieved through the objective existence of personal motives of each individual and their direct impact on the economic system. In the financial system of the state, influence on consumer demand is exerted through deliberate investment of savings into the economy, thereby stimulating its development. In the social sphere, the determination of behavioral principles and the cultivation of a specific culture in all its manifestations contribute to human development.

The inertia of individuals in managing their financial resources has no less of an impact on the economic system of a country than the deliberate actions of a few participants in financial-economic relations regarding the utilization of financial resources. For example, people's reluctance to invest increases the cost of capital, and the absence of demand for a product determines the volume of production of goods or services.

Personal finance is a term that describes the process of managing one's money through budgeting, saving, or investing; it's a broad term that encompasses banking activities, insurance, mortgages, retirement planning, taxes, and other financial activities that individuals undertake with their money. It's essential to plan one's finances correctly to ensure there is enough for all financial needs, whether for short-term financial goals, retirement planning, or saving for a child's future. It all depends on how an individual manages their personal finances, so it's crucial to be financially literate to avoid making impulsive and unnecessary purchases [3].

People's economic decisions are based on family and personal budgets – a system of individual economic relations in which each person acts according to the level of market conditions in the country and their position within the economic system. In this context, personal finance is considered a system of voluntary and equal financial relations within a household, based on private ownership, in which the process of making decisions about the organization and management of personal material and intellectual property is carried out directly by each individual.

It is important to realize that personal finances have an impact on people's behavior and economic culture, as well as their way of life, health, education, and civic engagement. The quantitative characteristics of these finances determine the overall need for a high-quality life and are an important component of the national economy and its financial system. The balance and stability of personal finances are crucial for a range of socio-economic processes and contribute to the development of human potential as a whole [4].

Decisions made in the realm of personal finances have an impact on both societal and corporate finances by involving individuals in the creation of added value. This occurs through the labor contributions of individuals, which shape their earnings, or through the creation of savings and their investment in the corporate sector, where funds generated within personal finances are transformed into corporate sector funds.

Personal finances possess specific characteristics that set them apart from public and corporate finances within the financial system.

1. Personal finances are the primary element compared to public and corporate finances, as the decisions of individuals regarding the use of their money and other capital have a decisive impact on the pace of economic development and the conditions for the formation of public and corporate finances.

2. Personal finances are a necessary prerequisite for the development and expansion of public (government) and business finances since the income generated from labor and capital resources, which create added value, is partially or entirely individual.

3. Personal finances are shaped at all stages of income distribution and redistribution and differ from public and corporate finances. However, they are an integral component of the financial system since the creation of business and government finances is based on them. This system is built on the objective existence of both private and public goods that complement each other.

4. Personal finances have a direct and significant impact on the size of disposable income in the economy. These finances consist of consumption and savings funds, which are formed and allocated by individuals, affecting the overall level of disposable income and investments. These are important factors for sustainable economic development.

5. The transformation of savings into investments in the personal financial sphere is a key factor in economic development. The larger the proportion of

citizens' savings that forms the basis for investments, the more advanced the economy becomes.

6. Personal finances are a key indicator of people's well-being, defined as the total volume of personal financial assets owned by the residents of a country, as well as the degree of their distribution and differentiation among various social groups.

Personal finances have several distinctive features.

1. Individual nature. Personal finances pertain to the monetary resources and income of a specific individual. They are individual and depend on personal needs and capabilities.

2. Complex structure. Personal finances consist of various components such as income, expenses, investments, loans, and more. Managing all these components can be a challenge for most individuals.

3. High level of risk. Personal finances are associated with the risk of losing monetary resources due to unforeseen circumstances such as job loss, unexpected expenses, inflation, and other factors.

4. Individual responsibility. Individuals bear personal responsibility for managing their finances, including the risk of loss and the investment of monetary resources.

5. Instability. Personal finances can be influenced by changes in the economic and political situation in the country. They can also depend on personal life circumstances and unforeseen events.

So, personal finances have their peculiarities and require attention and conscious management from individuals. It is important to plan and manage one's finances using various tools, such as budgeting.

Personal finances are important for both individuals and the state as a whole. For individuals, they allow for meeting life's necessities, planning for the future, building savings, and ensuring financial stability. For the state, personal finances are a crucial element of the economic system as they impact the overall macroeconomic situation in the country.

Personal finances also play a significant role in the financial system of the country. They serve as a source of resources for banks and other financial institutions and influence the financial stability of the country. It is important for the state to ensure the efficiency of financial markets and economic growth, which is possible through stable and well-developed personal finances.

Thus, personal finances are of great importance to every individual and the economy as a whole. It is essential to be attentive and consciously manage one's finances, as well as support an effective financial system for the country.

In the context of market relations, the behavior of economic agents is characterized by a focus on their own private interests, primarily aimed at maximizing benefits for themselves. However, due to imperfect competition in the market, participants are forced to adapt to each other and make compromise decisions that satisfy the economic interests of both parties [5].

Managing citizens' personal finances is an important element of economic behavior for individuals. This process involves the formation, distribution, and utilization of corresponding monetary funds with the aim of maximizing individual and national welfare.

Personal finance management helps more effectively utilize income, analyze and optimize expenses, and create savings. The main goal of personal finance management is to achieve the most efficient and advantageous allocation of available resources. To achieve these goals, individuals need to define their financial objectives, analyze their current financial situation and policies, choose methods to achieve these objectives while considering future trends, utilize financial tools, and periodically review the plan [6].

Managing personal finances depends on various factors, including historically determined national mentality, as well as socio-demographic characteristics such as education level, wealth, age, and gender.

Effective management is a necessity for every modern individual and can bring significant economic benefits. For the country's economic development, it is important to foster a culture of personal finance management, including personal financial planning and increasing financial literacy among the population.

Creating a personal financial plan is an important step in managing one's own finances, based on a rational strategy to achieve financial goals and considering combinations of different financial instruments according to specific circumstances and anticipated needs [7].

Building a personal financial plan consists of the following stages:

1. Assessment of the current financial situation. At this stage, it is necessary to evaluate your current income, expenses, debts, and determine your financial reserves. This stage involves translating dreams and desires into clear goals.

2. Defining financial goals. At this stage, you establish the objective and timeframe for achieving specific financial goals, such as buying a home, saving for a vacation, or retirement planning.

3. Developing a strategy to achieve financial goals. During this stage, you formulate a strategy that outlines how your financial goals will be reached. This involves identifying specific actions, such as increasing income or reducing expenses, and selecting financial instruments that will help achieve these goals.

4. Identifying risks. At this stage, potential risks that may arise during the implementation of the strategy to achieve financial goals are identified. Measures to prevent or mitigate the consequences of these risks are determined.

5. Developing specific actions. During this stage, concrete steps that need to be taken to implement the strategy are outlined. This includes increasing income, reducing expenses, and selecting financial instruments.

6. Monitoring and Correction. The final stage involves continuous monitoring of the financial plan and making adjustments as necessary. In other words, you can modify your personal financial plan depending on the impact of various factors, such as unexpected expenses for a particular purchase.

Managing personal finances is an ongoing activity that needs to be carried out throughout one's life. This is because financially literate individuals not only ensure personal development but also contribute to the creation of material well-being, capital formation, and its protection.

For successful personal financial management, a certain level of knowledge is required. Financial literacy is an indicator of a person's success and signifies the ability to manage personal finances and make responsible decisions. Only with such knowledge can one create a system of rational financial behavior that allows for planning a strategy to overcome financial and economic resource shortages. However, because people often act impulsively, proper financial behavior depends on the level of financial literacy [8].

Financial behavior, in a broad sense, encompasses various actions of households and individuals related to managing their money. These actions may include aspects such as financial planning, risk reduction, savings, investment, insurance, credit and lending behavior, participation in financial games, buying and selling goods and services outside financial institutions, conducting payment transactions, and more (fig. 1).

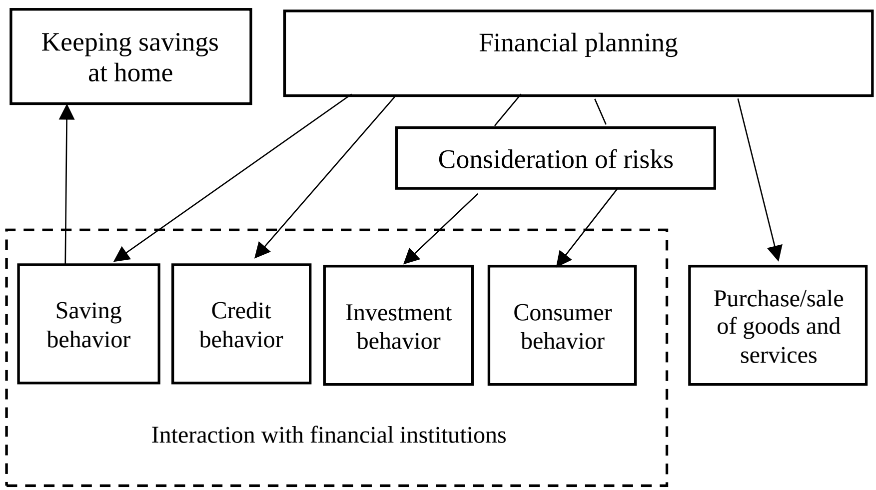

Fig.1 – Structure of financial behavior

When researching financial behavior, it is important to consider not only the objective factors that influence it but also the motivational factors that impact the choice of strategies regarding savings, loans, investments, or insurance. Additionally, motivation plays a role for all members of the family who are encouraged to participate in household activities together [9].

This is why appropriate financial education and professional assistance from experts are necessary for effective personal finance management and resolving various financial issues. Acquiring new knowledge, skills, and values can contribute to positive changes in personal finance management. Analyzing the financial behavior of the population, including the factors and motivations that influence this behavior, can help successfully implement the current state program to enhance financial literacy.

Classical financial theory investigates the financial market using models based on the principle of investor rationality. However, the emergence of market booms and crashes indicates a mismatch between classical models and modern realities. Therefore, in the contemporary scientific world, behavioral finance theory is evolving, taking into account the peculiarities of human behavior and its reflection in the state of the financial market. Understanding the impact of behavioral factors on individuals' financial decision-making processes allows for a more effective assessment of the market situation, prediction of future changes, and prevention of losses.

Based on the identification of socio-psychological factors of human activity that contribute to a more accurate examination of the main motives behind human behavior and their influence on the financial decision-making process, a new direction in modern financial science has emerged—behavioral finance. Behavioral finance takes into consideration the irrational nature of the behavior of financial market participants in conditions of uncertainty and risk when making financial and investment decisions [10].

Behavioral finance is a relatively new branch of financial theory that combines insights from psychology with conventional economic and financial theory to explain the peculiarities of financial decision-making. This field has emerged due to the inability of neoclassical expected utility theory and the efficient market hypothesis to explain a series of anomalies that arise in markets as a result of economic agents making irrational decisions.

To ensure their existence and improve the lives of their members, households make various financial decisions. Each of these decisions involves choosing between several alternatives. Behavioral science investigates how people make financial decisions, what factors influence their choice of financial products and services, and why some decisions result in profits while others lead to losses.

The classical model of financial decision-making is based on the concept of "rationality" and requires the decision-maker to think absolutely objectively and logically, have a clearly defined goal, possess available information, and direct their actions towards choosing the best alternative to maximize the outcome of their activity. This model is grounded in a series of theories that predict that economic individuals behave rationally and have profit maximization as their primary goal.

Rationalism, based on reasoned justification of the appropriateness and efficiency of economic decision-making, dominates the perception of humans as participants in financial relations over an extended period.

Behavioral finance studies, demonstrates, and explains the relationship between financial decisions and psychological factors influencing the behavior of participants in financial relations. This direction in financial science and practice advocates the position of bounded rationality of economic agents and thus calls into question the conclusions of rational expectations and efficient markets theories. Therefore, decision-making in finance cannot be explained solely by analyzing rational behavior within formalized rules.

The behavioral approach in finance explains the irrational behavior of individuals when making financial decisions by combining knowledge from psychology and financial science. This concept allows for the examination of economic phenomena and processes from the perspective of irrational behavior of economic agents [11].

The theoretical foundation of the concept of behavioral finance was established thanks to the contributions of American psychologists Leon Festinger and Herbert Simon, who are considered the founders of this approach. It was further developed and systematized by the works of V. de Bondt, R. Thaler, H. Shefrin, and M. Statman, who significantly advanced and formalized the concept of behavioral finance, giving it the status of a scientific theory.

In 1957, Leon Festinger formulated the theory of cognitive dissonance, which asserts that when a situation does not align with a person's expectations, they experience cognitive dissonance with their own beliefs. Often, instead of changing their perspective, individuals resort to manipulating facts. Such a person, after making an incorrect and financially detrimental decision, may not acknowledge their mistake. Instead, they engage in self-deception and shift responsibility onto others.

Herbert Simon, another American psychologist, is renowned for his research on the limitations of human intelligence in decision-making, which is attributed to the limited number of neurons in the human brain. He proposed a model of decision-making processes known as "bounded rationality" and was awarded the Nobel Prize in Economics in 1978 for his work on decision-making processes in economic organizations.

The modern concept of behavioral finance, once again linked to psychologists Daniel Kahneman and Amos Tversky, further evolved. In their work on "Prospect Theory," they demonstrated that the incorrect perception of information can lead to erroneous judgments and irrational human behavior. In Kahneman's "Theory of Prospects," he noted that people make decisions based on expectations of an uncertain future. His theory was supported by American research, and Kahneman himself was awarded the Nobel Prize in Economics in 2002.

According to Kahneman, people react differently in situations where they win or lose, often incorrectly assessing the probabilities of events due to their own feelings and stereotypes. For example, an individual may be more sensitive to losses than to gains [12].

Additionally, a person's decision-making can depend on how information is presented to them regarding a theory, phenomenon, or object. This technique allows influencing a person's consciousness and directs their thinking in a specific direction, leading to the adoption of the "correct" decision.

Recent research in the field of behavioral finance conducted by R. Thaler, H. Shefrin, and M. Statman focuses on the influence of psychoemotional factors on the behavior of investors, the value of securities, and the returns investors will receive. The functioning of financial markets, including currency and stock exchanges, confirms that investors are not always rational. Scientists point out the presence of the "herd effect" on financial markets - a collective influence that arises through an "information cascade" as another behavioral bias [13].

Irrational behavior of individuals also manifests through the "illusion of control" and the associated "excessive optimism and overconfidence effect," which lead people to overestimate their ability to predict market developments when making financial decisions.

Overall, there are many subjective factors that trigger and provoke irrational investor behavior in the market. These factors may be related to a mistaken perception of reality or a misjudgment of the actual situation, or they may be purely emotional characteristics inherent in human nature that influence people's behavior. Among these factors, both science and practice highlight various "effects" and "paradoxes," including the "anchoring effect," "conservatism effect," "competence effect," "trap effect," "Allais paradox," and others. These effects, which explain many factors of irrational behavior among financial market participants, as well as other research findings and scientific theories based on them, have contributed to the emergence of behavioral finance as an independent field.

The modern concept of behavioral finance is closely linked to medical studies of the human brain and has led to the development of neuroeconomics and neurofinance. According to the results of research conducted by scientists, the frontal part of the brain is responsible for making rational decisions, while the upper and rear parts of the brain are associated with stereotypical (irrational) decision-making. In practice, most financiers make irrational decisions, but in non-standard situations, there can be observed high brain activity in the frontal part of the brain [11].

Scientists, conducting experimental research, have concluded that irrational behavior, once considered solely deviant and random, is actually widespread, especially in conditions of uncertainty. When normal modes of functioning fail and uncertainty becomes the dominant state of society, people may start to act from irrational motives. According to psychological studies, financial behavior can be a reaction to the socio-economic and political reality that does not promote optimism and contributes to the spread of distrust in various institutions, both political and financial.

The primary achievement of behavioral finance is the recognition that in the realm of finance, just as in other aspects of life, individuals make decisions influenced by societal stereotypes, perceptual illusions, biased thoughts, information analysis errors, and emotions. Research in behavioral theories has allowed the identification of a list of factors that influence financial decisions (table 1).

Table 1 - Behavioral factors that influence financial decision-making

Name of the factor	Types of factors
1	2
Heuristics	Heuristics of representativeness Availability heuristics "Anchoring" heuristic The effect of joining the majority
Emotions	Optimism Pessimism Mood Excessive self-confidence The effect of pity The illusion of control
Framing (the framing effect)	The tendency to react to a certain choice in a different way depending on the context, the formulation of the problem or proposal, that is, how such a choice is presented - as a loss or a win

Continuation table 1

1	2
Market influence	Post-acquisition rationalization Confirmation bias Illusion of frequency Fundamental attribution error (FFA)
Psychological accounting	The tendency to treat money differently depending on where it came from, in what form it is stored and what it is spent on
Loss aversion	Willingness to take greater risk to avoid loss than to gain additional income The status quo effect Possession effect Trap effect Ostrich effect

The primary concept of cognitive bias theory is that individuals create their own subjective reality based on the perception of external information, which can influence their behavior. Cognitive biases can lead to distorted perceptions, inaccurate judgments, illogical interpretations, or "irrationality." Cognitive biases encompass heuristic methods, effects, emotions, framing, and market influence.

In contemporary conditions, where individuals are constrained by time and resources for decision-making, optimal analysis of available data becomes challenging. To expedite responses to external stimuli, simplified algorithms known as heuristics are created. Heuristics are shortcuts that simplify complex information processing methods required for decision-making. However, making financial decisions based on heuristic simplifications often leads to systematic errors and biases [7].

Let's consider the main types of heuristics that influence the process of making financial decisions:

1) Representativeness Heuristic: This heuristic implies that people assess the probability of an event based on its similarity to stereotypical or typical cases. In other words, when people encounter new information or a situation, they usually compare it to their conception of what a typical case should be like and make conclusions about the event's probability based on this comparison. This can lead to a distortion of the actual probability of an event since stereotypical cases may not accurately reflect the real situation;

2) Availability Heuristic: The availability heuristic involves people's tendency to make conclusions based on the information and images readily

available in their memory. This means that people often consider what easily comes to mind as more likely or correct, regardless of how accurate or comprehensive it is. This heuristic can lead to incorrect conclusions since the information may be insufficient, distorted, or biased;

3) Anchoring Heuristic: The anchoring heuristic involves individuals assessing a particular situation based on previous information or numerical value ("anchors") that was presented earlier. This effect can be used for commercial purposes, for example, when three product options with different prices are offered: very expensive, medium-priced, and very cheap. Individuals tend to choose the medium-priced option, which may appear more favorable compared to the others, but in reality, it may be less advantageous than other alternatives;

4) Herd Behavior Effect: The herd behavior effect, also known as the "herd instinct," involves the tendency of people to act or believe in something that is popular among many individuals. This may be related to the fear of being different, a desire to conform to the general consensus, or simply the habit of mimicking the behavior of others. Such behavior is typically associated with groupthink and the subordination of individual decisions to broader social dynamics.

Emotions also influence the decision-making process and can affect preferences and beliefs, including:

1) Optimism Bias: The ability of individuals to expect a positive outcome in the future, even when there are not enough rational grounds for such expectations. This effect is also known as the "positivity effect," where information that has a positive valence (i.e., perceived as pleasant) is more likely to inspire optimistic expectations.

2) Pessimism Bias: The tendency of some individuals, especially those suffering from depression, to overestimate the likelihood of negative events and to overly pessimistically assess their own capabilities.

3) Mood Effect: People tend to better remember information that aligns with their current mood. Recent research has shown that mood influences investment decisions and individuals' confidence levels in their skills and abilities.

4) Overconfidence Effect: This effect involves people frequently being overly confident in their answers to questions, even when they lack sufficient information. Recent studies indicate that when participants were 99% confident in their answers to certain questions, the accuracy of their responses was only 40%.

5) Illusion of Control: This is the tendency of individuals to believe that they have the ability to control or, at the very least, influence the outcomes of events over which they actually have no control.

6) Regret Aversion Effect: This phenomenon occurs when people avoid making decisions that could lead to negative outcomes due to the pain or regret they might feel for making wrong decisions in the past. One way to avoid the regret aversion effect is to shift responsibility onto other people [12].

Another psychological characteristic that can explain irrationality in financial decision-making is framing. Daniel Kahneman and Amos Tversky noted that the frame accepted by an individual consists of how a problem is formulated and the rules, habits, and personal characteristics of the decision-maker. In other words, people's preferences and decisions can depend on how a situation is described and the options presented.

A significant number of financial decisions are influenced by the market, based on factors such as brand loyalty and advertising:

1) Post-purchase rationalization, also known as the "Stockholm Syndrome of Purchasing," is a phenomenon where a person who has bought an expensive product or service fails to notice its flaws or defects to justify their purchase.

2) Confirmation bias is the tendency to seek and interpret information in a way that confirms one's own beliefs or hypotheses. Experiments have shown that this bias can lead to overconfidence in one's strategies, disregarding evidence that these strategies may result in financial losses, which is particularly relevant for investors.

3) The illusion of frequency or recency reflects a situation where a word, name, or other object that recently drew attention seems to occur exceptionally frequently afterward. This effect is also known as the Baader-Meinhof Phenomenon. The phrase "I've heard about this recently" typically indicates the presence of this phenomenon.

4) The fundamental attribution error is a tendency to overestimate the role of personal characteristics in explaining the behavior of other people and to underestimate the influence of the situation on the same behavior. This can lead to various other attribution errors, such as the actor-observer bias, the group attribution error, the positivity effect, and the negativity effect.

Psychological accounting, developed by R. Thaler, suggests that people treat money differently depending on its source and location. For example, people are more likely to spend money they've won at a casino, in a lottery, or found, compared to money they've earned through their work. Additionally, the use of credit cards can create a sense of security in people, which can lead to excessive spending. These biases result in people assigning different values to the same money, depending on its origin and allocation, even though rationality dictates that all money should be treated equally.

The Prospect Theory, developed by D. Kahneman and A. Tversky (1979), describes how investors perceive profit and loss. This theory establishes that people view gains and losses differently, and that it is harder for an individual to accept losses than to celebrate equivalent gains (loss aversion). Losses always appear more significant than income. The theory also demonstrates that people are more willing to take on greater risk to avoid losses than to receive an additional reward for taking on more risk. Investors may hold onto depreciating stocks while selling those that are increasing in price, rationalizing it with the belief that prices will rebound in the future. The Prospect Theory leads to the paradoxical conclusion about how people perceive gains and losses.

The non-acceptance of losses is one of the universal and highly significant aspects of human behavior that can explain many behavioral phenomena, such as the St. Petersburg paradox and the status quo effect. It can also account for the endowment effect, which is the tendency to assign high value to items solely because a person possesses them. Non-acceptance of losses is a fundamental feature of human behavior, which may have evolutionary origins, as supported by research on capuchin monkeys [12].

Let's provide a description of types of behavioral factors related to the non-acceptance of losses:

1) the effect of the status quo is a tendency to maintain and satisfy the current state of affairs, instead of moving to new solutions or alternative options. For example, this can be observed in the behavior of people, regarding the choice between the current system of pension insurance and the new, non-state system, which is used in many countries of the world. Most people prefer a familiar and familiar system to a new and unknown one;

2) the possession effect is a theory that people value things more simply because they own them. They are willing to pay more for something they already have in their hands than for the same thing that belongs to someone else, even if there is no particular attachment to the thing. This effect can be explained by the value function of loss aversion: the desire to buy or sell something depends on whether a person has that thing now. That is, if a person owns some thing that has value for him, then the selling price will be equal to the level of regret he feels at the loss of this thing. And if a person wants to buy something, then the price will be determined by the level of satisfaction from its purchase. However, these levels differ because losing is more regretful than buying is satisfying;

3) the trap effect is a phenomenon when an economic agent invests funds, time and effort in a project that does not achieve the expected results or does not develop, but continues to invest resources in the project in order to return the initial investment, despite the increase in failures and losses;

4) the ostrich effect is a tendency to avoid possible risky financial situations, preventing their existence. According to research, investors are more likely to prefer those financial investments about which there is no information about risk, than similar investments in terms of return and risk that are regularly reported [12].

In conclusion, we can conclude that the behavioral approach in finance emphasizes psychological factors that are key to explaining many aspects of a person's financial behavior. The use of psychological factors in economic analysis complements the conclusions of traditional economic theory, provides more complete information about the peculiarities of human behavior and allows to better explain the processes occurring in individual decisions of the population. It deepens the understanding of people's behavioral strategies in modern financial science and becomes an increasingly important element for the development of financial markets. Thus, behavioral finance is based on a cumulative institutional basis in the theoretical plane and becomes a catalyst for the development of financial markets in practical application.

Today, the financial culture of the population is a key factor in building a prosperous society, strengthening financial markets and accelerating investment processes. However, the most important is the role of financial culture in the intelligent management of personal finances, which makes it possible to increase the well-being of citizens. Financial culture means that people have the ability to effectively manage their finances, make rational financial decisions in the short and long term.

In many countries of the world, various educational programs on financial literacy, courses on accounting and planning personal expenses, rational organization of financial flows of citizens and households, planning incomes and budgets, making investments, etc. are popular. Financial science abroad actively researches the basic principles of managing one's own finances, family accounting and activities to improve the financial literacy of the population. Such activities in the field of personal financial management are quite common in developed countries.

In developed countries, a practical economic culture of managing one's own finances was formed, which arose under the influence of historical factors, state policy and the professionalism of financial market participants. The level of financial culture and economic behavior of citizens in these countries is significantly higher than in Ukraine.

Perhaps it is useful for Ukrainian society and individual citizens to accept simple advice in the form of axioms for managing their own financial flows and constantly use them in practice. The basic principles of the system of managing a person's own finances should be the axioms of financial behavior, which, when summarized, help ensure the personal wealth and well-being of citizens [12].

Planning and managing personal finances is an important aspect of financial literacy. This includes the ability to manage personal finances, knowledge of different types of investments and the risks associated with them, the ability to plan a budget and spend money wisely.

First, it's important to always monitor your finances, which means keeping records of all your expenses and income. Today, the digitalization of society greatly facilitates the process of keeping financial records, and computerized accounting replaces routine and helps to avoid errors. This allows you to make the process of managing personal finances a more interesting and exciting activity, and also gives the opportunity to have a complete picture of the financial situation at any time and to examine expenses for their effective control.

It is recommended to actively form the habit of regular accumulation of funds as the difference between income and expenses. Based on your own life experience, you can find different ways to significantly reduce costs without worsening the quality of life. To create a secure future, the practice of setting aside 10-15% of current income as savings is useful. This, together with cost control, allows you to get the maximum effect.

After certain savings have been made, it is desirable to consider investment opportunities to increase personal capital or protect it from inflation. Usually, savings are distributed among different types of investment instruments depending on the level of risk, for example, between bank deposits, securities, real estate and others [15].

In real life, it is important to protect your financial interests through risk insurance. In the insurance market of Ukraine, there is a large number of policies that provide a wide range of types of insurance to protect against unwanted events. Since personal funds often depend on many factors, such as health, natural disasters and high inflation, which are beyond the individual's control, insurance can be a productive way to preserve financial health.

One of the most important elements of personal finance management is personal financial planning and forecasting. This process is continuous and involves the planning and implementation of financial goals, as well as the efficient redistribution of income over time. To implement such planning, it is necessary to outline priorities, assess available and necessary resources, consistently determine and calculate the achievement of goals.

In the process of financial planning, it is also important to identify tools that will help track financial activities, make forecasts for the future and optimize cash flows. Thus, personal financial planning is the defining principle of the strategy of managing personal funds, which allows people to maintain control over their financial situation and achieve their goals [16].

One of the directions of planning and managing personal finances is creating a budget. Personal finance budgeting is the process of planning and controlling personal expenses and income in order to achieve financial goals. Budgeting allows people to better understand how they spend their money and helps them control their spending to avoid going over budget.

The basic steps of personal finance budgeting include.

1. Determination of income: First, you need to determine the total level of income, which includes all sources of income such as salary, dividends, investment income, etc.

2. Determining expenses: the next step is to determine all the expenses that a person plans to make during a certain period. These expenses may include bills for electricity, gas, water, food, clothing, entertainment, and more.

3. Budget planning: after determining total income and expenses, you need to allocate money to different categories of expenses. This can include housing, food, transportation, entertainment, and more.

4. Following the plan: Once the budget has been drawn up, you need to follow the plan and control your spending. This may include tracking costs to ensure they are not over budget and making changes to the budget if unforeseen circumstances arise.

Personal finance budgeting can be useful for anyone, regardless of income level. It allows individuals to increase their savings, reduce their debts and ensure financial stability [17].

Another area of financial planning and management is investment. People can invest their money in stocks, bonds, real estate, currency and other assets to grow their capital. However, before starting to invest, it is necessary to familiarize yourself with all the risks and opportunities.

Investment is a term that is often used in various fields of economics and finance because it is an extremely important multifaceted category that plays a significant role at both the macro and micro levels. Investments ensure the dynamic movement of financial flows in the most promising areas of activity, which promotes the development of innovations, supports entrepreneurial activity and is of critical importance for the development of society as a whole.

The functioning of the investment market is an integral part of the investment process, since it is on this market that assets are bought and sold, ensuring the circulation of investments. The investment market has its own conditions, the ratio of supply and demand, the level of competitiveness of issuers, as well as the level of volatility of asset prices, which affect the investment process. In addition, the investment process is associated with operational and systemic risks that may affect its performance.

The sources of investment financing are:

– own, borrowed and loan capital;

– population savings accumulated by financial intermediaries;

– funds that are centralized by associations of enterprises;

– investment fund and development budget funds;

– investment allocations from the state budget;

– funds received from the privatization of state property and the sale of state blocks of shares;

– foreign investments, presented in various forms and types [18].

Saving money is an integral part of the investment process. However, not all saved funds can be considered investments. For example, if the money is not used by the owner for current expenses, it can be considered savings. But if the money is not used to carry out any investment operations, then it is not an investment. Only those savings that are used to expand production for the purpose of generating profit in the future, often some time later, can be considered an investment.

Investing is the process of placing money in various types of assets in order to increase your capital. Investments can be long-term or short-term, depending on the goals and needs of the investor.

The main areas of investment include:

1) shares are property in a certain company, which gives the right to a share in the company's profits and the opportunity to receive dividends;

2) bonds are a type of loan provided by an investor to a company or the state, which guarantees the payment of interest and the return of funds after the end of the loan term;

3) funds are investment funds that collect money from many investors and invest it in various assets, such as stocks, bonds, real estate, metals, etc.;

4) real estate is an investment in real estate that can be long-term and bring stable income from rent or sale;

5) currency – investing in different currency pairs can bring profit from exchange rate fluctuations.

Before starting to invest, you need to assess your risks and opportunities, research the market and choose a suitable type of investment that meets your goals and needs. It is also important to remember that investing involves the risk of losing money, so you must be prepared for such possibilities and thoroughly study all aspects of investing before starting the process [18].

The third area is retirement planning. People should think about their retirement and start planning for it as early as possible. One of the most important aspects is knowledge about the pension system that operates in the country, as well as the possibility of private pension provision.

Retirement planning is an extremely important aspect of financial planning for the future. Understanding the pension system that operates in the country is a key factor in financial planning for the later years of life. In addition, it is worth considering non-state pension options, which can help ensure financial stability in retirement. Non-state pension insurance is an insurance system that allows you to personally provide yourself with additional pension income for the future, in addition to the pension from the state. In this system, individuals or their employers make certain payments to a non-state pension fund, which then invests these funds in various instruments (stocks, bonds, real estate, etc.) in order to increase their value. At some point in the future, when a person needs additional retirement income, they can receive payments from this fund. Non-state pension insurance is one way of securing future pension stability and can be useful for those who do not want to rely solely on a state pension. The earlier a person starts thinking about retirement and starts planning it, the more opportunities he will have to ensure a comfortable old age [18].

The fourth direction is credit and debt management. One of the important aspects of financial literacy is credit and debt management. Using credit can be useful for achieving financial goals, but it is important to understand that credit is not free and you need to know how to use and repay it correctly. Debt settlement should be seen as a long-term strategy in which you need to plan your expenses and find ways to reduce your debts to ensure financial stability in the future [19].

The rational paradigm of finance combines a number of financial theories that illustrate the sequence of financial decisions, assuming that the economic person is a rational and motivated participant in profit maximization. Theories of rational finance determine that the financial decision is theoretically optimal, but they do not reflect the real choice of the market participant and do not take into account psychological motives, expectations or selective acquisition of information. At the same time, behavioral theories prove that a person uses two parallel decision-making systems: the first is fast, automatic, intuitive, forced, which is influenced by various heuristics and generates impressions, guesses, previous judgments, and the second is slow, reflective, controlled , conscious, logical, which requires effort and filters the solutions of the first system. The first system has a predominant influence on how people make decisions, and its dependence on heuristics can lead to systematic errors.

It is impossible to change most of the behavioral factors studied in scientific work, however, it is possible to reduce their influence on the process of making financial decisions. Speaking about strategies for reducing the impact of behavioral errors (debiasing strategies), Larrick (2004) suggested that behavioral errors have several determinants, and it is unlikely that simple causes can be found and a clear correspondence between each specific such error and strategies for reducing its impact is unlikely [9].

The ability and ability of households to choose the most expedient and optimal financial decision-making strategy devoid of behavioral influence is extremely important. However, in order for the population to be able to make effective financial decisions, they must have knowledge not only in the field of finance, but also know about the human tendency to make certain systematic errors and be able to correct their irrational behavior.

According to scientists, there are several factors that prevent people from learning from their mistakes and correcting their behavior if the suboptimalness of the decision made is obvious:

– people do not know much about the role played by the intuitive (illogical) system in decision-making and underestimate the scale of defects and the depth of their behavior's tendency to make mistakes. As a rule, the decision is evaluated by the result, and not by the quality of the process of its adoption. For example, if a bad investment decision led to a positive result due to a lucky chance, then most likely the investor will repeat it again in the future;

– feelings of regret (regret), cognitive dissonance, sunk cost fallacy, status quo effect and inertia reduce the likelihood of admitting one's mistakes and, accordingly, reduce motivation to change behavior [9].

It would be good if households independently took up arms and learned to avoid all the negative consequences of behavioral factors, but without serious efforts and self-education it is extremely difficult to do this [1]. And, taking this into account, the public policy of countries that care about the welfare of their population should be based on such strategies that can reduce the influence of behavioral factors and help the population avoid many mistakes.

We propose to consider two strategies, which, in our opinion, are the most effective.

The first is a strategy based on the principles of libertarian paternalism. Well-known American scientists, Nobel Prize laureates in economics - R. Thaler and his co-author K. Sunstein, in their book "The Push" first proposed the idea of libertarian paternalism.

Libertarian means freedom of choice, paternalism means influencing people for the purpose of healing, improving, and prolonging life [6].

Libertarian paternalism is a strategy that encourages people to make optimal choices dictated by reason rather than feelings or momentary desires [20]. Under such paternalistic governance with libertarian means, individuals will tend to make right decisions rather than wrong ones. It is especially important to do this when concluding agreements regarding health or pension insurance, making savings, consumption or choosing loans, etc.

Understanding human motivation and the peculiarities of decision-making by people helps to increase the effectiveness of management, to find the right words that can motivate individuals and groups. Currently, "soft", "intelligent" methods of state regulation are becoming popular all over the world, which in many areas, as a rule, turn out to be more effective than "hard". They are based on the achievements of modern psychology, economics, sociology and other social sciences. In addition, they are more humane. Such methods are also called behavioral, or "pushing". The main role in their appearance was played by the ideas of behavioral economics.

It is clear that the market economy, which is based on the action of competitive forces, automatically solves problems related to the provision of private goods, but on the other hand, private producers have an incentive to use manifestations of human weaknesses to their advantage (selling alcoholic beverages, cigarettes). In such cases, state intervention is necessary. The state can be the architect of choice, pushing citizens to behave rationally [21].

The "architects" of choice can be both the state and the private sector. The ten most common nudges according to K. Sunstein are known: default rules; simplification; use of social norms; relief; convenience; disclosure of information; pre-agreed strategy; reminder; pre-expressed intention; informing people about the consequences of their previous choices.

The "nudge" method was appreciated by the leaders of world states (USA, Great Britain, France), creating "Nudge-Units" - institutions that practically introduce the latest findings of behavioral economics into public administration. Measures implemented by such an agency during 2009-2012 saved the US government about $90 billion [22].

Let's consider in more detail the experience of using this method on the example of some states.

Great Britain is the first country in which a nudge unit was established. At the same time, during the six years of its existence, this body has changed its status and is now essentially an international company that provides consulting services to the governments of various countries regarding the application of behavioral economics approaches in state regulation. Initially, the Behavioral Insights Team was established in 2010 as a unit of the UK Cabinet Office to review the state's position on behavioral aspects of public policy. As an independent unit, it produces proposals for behavioral approaches, as well as issues methodological recommendations for the application of such approaches in the work of other state bodies. The main forms of interaction between the group and state bodies are consulting on possible application of behavioral methods and participation in a number of projects. In most cases, the group conducts controlled experiments (randomized controlled trial) in order to determine the effect of one or another mechanism on the objects of regulation. Currently, a number of government agencies in Great Britain are independently applying the methods of behavioral economics in their work, including by creating their own nudge units [5].

In Denmark, as in many European countries, there is no single state body for developing proposals in the field of behavioral economics. Some Danish state bodies are independently forming units to develop proposals in the field of behavioral economics. Since 2016, about 15 state bodies have participated in the process of applying behavioral economics, in which separate units for behavioral economics were created or they were in the process of creating such [5]. In terms of the application of behavioral economics methods, a distinctive feature of Denmark is the presence of non-governmental organizations that promote the use of the "nudge" method both in commercial structures and in government. Such organizations include the Copenhagen Behavioral Economics Network, the Danish Nudging Network, and the non-profit organization iNudgeYou. Simultaneously with the development of non-profit organizations in the field of behavioral economics in Denmark, there is an educational program on behavioral economics for civil servants. The purpose of training civil servants is to develop skills in identifying areas of public administration in which behavioral methods can be applied [5].

In the USA, two stages of implementation of behavioral methods in public administration can be distinguished. In the first phase (2009-2015), there was no separate body responsible for advising on behavioral economics, and behavioral methods were embedded in the rule-making process. To clarify the application of the approaches laid down in Decree No. 13563, a separate body (the Office of Information and Regulatory Affairs of the Administrative and Budget Office of the Administration of the President of the United States) issued a Methodology for executive authorities on the use of information disclosure and simplification of information submission as regulatory methods. In addition to facilitating the perception of information in public policy, the method of standard selection can be used, when the answer that is most beneficial from the point of view of the goals of the program is accepted as the default answer. At the second stage, the model underwent changes. In 2014, a decision was made to create a separate structural unit responsible for the implementation of "pushing" in all spheres of state policy. Such a unit was the Social and Behavioral Sciences Team, created as a subcommittee of the National Science and Technology Council. Since 2016, a methodology has been released, using it, agencies can implement behavioral economics approaches in their work - information disclosure, choice architecture, etc. At the same time, practical recommendations are supported by scientific evidence about the behavior of citizens. For example, research in the field of behavioral economics has proven that a person's perception of information and reaction to it depend on the way it is presented. In this regard, agencies are advised to submit information in the form that would be most meaningful to the target audience [5].

National authorities, as well as supranational governing bodies, are constantly searching for tools to increase the efficiency of state regulation and increase general well-being. Numerous studies by behavioral scientists show that as an alternative to classical methods of state regulation, as well as in addition to them, non-standard and at the same time promising mechanisms of behavioral incitement can be successfully applied.

The expediency of the development and application of these methods in the practice of public administration is justified, first of all, by the fact that if traditional regulatory tools are based mainly on the idea of the rational thinking of individuals, then behavioral tools open up a new resource for increasing the efficiency of the development and implementation of state sectoral (sectoral) policies , which takes into account the influence of psychological factors and cognitive biases inherent in people. In addition, in many cases, the costs of using such tools are low, which allows you to use them with lower costs to achieve the tasks.

The range of forms of application of behavioral methods in regulatory policy is very wide. Nudging is already widely used in the form of quality public information to ensure informed decision-making, which is especially important in cases where mistakes can have significant negative consequences.

Advertising campaigns help sellers of goods and services to form or develop certain desires in a person and, thanks to this, push him to spend money on such products. The development of digital technologies has given impetus to the development of targeted digital advertising. When using the Internet, a person leaves a lot of information in the digital space, which companies can use to analyze the needs, interests and preferences of a person and offer him, as a potential consumer, certain goods and services.

Experiments by scientists show that many people are psychologically ready to pay different amounts for the same product or service depending on where they are purchased. For example, for buying a bottle of Coca-Cola in a nearby store or bar of an expensive hotel. Or, as the researchers found out, some married couples can think long and carefully about which car to buy, but at the last moment change their choice and make a completely unexpected purchase.

However, often the method of "pushing" is also used to manipulate public consciousness, which marketers and political technologists have been using for many years. For example, a special arrangement of goods on the shelves: the buyer still has a choice, although some products (more profitable for the seller) will be closer. Carts for products are specially increased in size so that the buyer fills it with a large number of purchases. How ethical it is to use music and smells in the sales hall to create a certain mood in the buyer is also a big question.

In order to encourage people to be more environmentally responsible and throw away garbage, Danish behavioral experts have identified green-painted shoeprints going to the bins on the streets of Copenhagen. This led to the fact that people began to throw away much less garbage in unauthorized places, leaving it in designated bins. This experience of "green" pushing was successfully repeated in other countries.

It should also be noted that the methods of soft paternalism are applicable to encourage individuals to make effective decisions, not only economic, but also of a different nature (for example, encouraging people to lead a healthy lifestyle, sorting garbage, etc.).

The second strategy that helps citizens reduce the impact of behavioral factors is measures to increase the financial literacy of the population in the country. Education is an important factor that influences financial decisions. K. Christiansen (S. Christiansen) and his colleagues came to the conclusion that individuals with higher economic education are more likely to invest in the stock market, and another group of scientists proved that higher education (economics, business management or information technology) is associated with a higher (risk-adjusted) return. Also, it was established that education reduces the impact of some behavioral errors, from self-attribution to the disposition effect, and also affects the trading activity of investors [9, 5].

Every year, the number of countries in the world that adopt and implement programs to improve the financial literacy of the population is growing. In particular, in Europe, there are more than 180 programs for improving the financial literacy of the population [48]. Successful national programs were developed and are being implemented in the USA, Great Britain, Germany and Austria, and among the countries where the formation of market relations took place not so long ago - in Bulgaria, Slovenia and Poland. Most countries have voluntary programs that offer financial education through various formal and informal educational programs. The most financially literate countries are Denmark, Norway, Sweden, where 71% of the population is financially literate, in Ukraine this figure is 40% (fig. 2).

In recent years, Ukraine has cooperated with various international experts and programs that help increase the level of financial literacy. This is a collaboration with the World Bank, the United States Agency for International Development, and the USAID project, within which research was conducted in the field of financial literacy of Ukrainians, as well as a strategy for improving financial literacy and special courses for schoolchildren were developed.

Many Ukrainian authors have appeared in the domestic scientific and elementary literature, who research the basics of managing personal finances, and since 2010, the optional course "Financial Literacy" has been introduced in schools. Also, the National Bank of Ukraine, universities, schools, public organizations help increase the financial literacy of the population by holding seminars, lectures, trainings, etc. The following educational campaigns are held annually: Savings Day, All-Ukrainian Financial Literacy Week, Global Money Week. In 2018, more than 150,000 Ukrainian pupils and students were covered by the Global Money Week events [15].

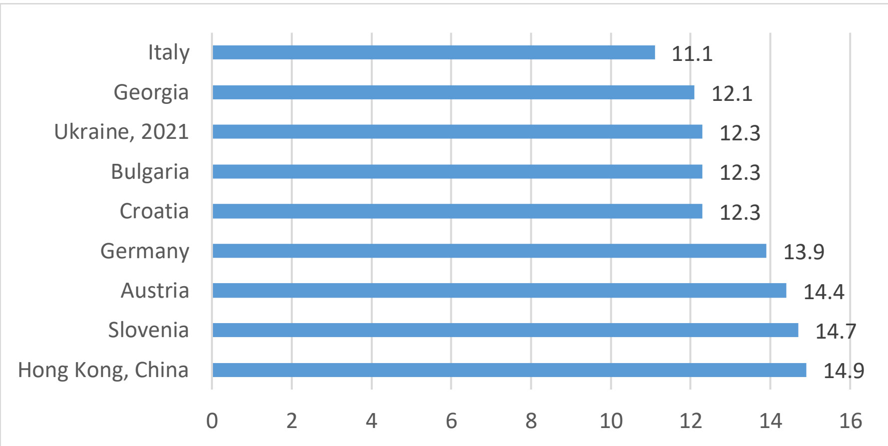

Fig.2 – Index of financial literacy: comparison with other countries

On September 23, 2023, the National Bank of Ukraine implemented the Educational site "Okay" - it is a free online platform for raising financial awareness and protecting the rights of clients of financial institutions. On the free online platform, Ukrainians will be able to obtain a level of financial knowledge sufficient to make responsible decisions regarding personal finances.

The structure of the online platform consists of six sections: "Money", "Financial Planning", "Deposits", "Loans", "Fraud" and "Insurance". The site also has two special dynamic sections: "Life Hacks" and "Questions of the Day".

The website "Okay" was created by the National Bank of Ukraine with the support of the International Finance Corporation (IFC) within the framework of the four-year technical assistance program "Financial Inclusion for Economic Growth", which is implemented in partnership with the Swiss State Secretariat for Economic Affairs (SECO) and the Fund for Effective Management of the Government of the Great of Britain in Ukraine (GGF).

Extensive experience in developing financial literacy around the world at Visa Inc., which set a goal to help 25 million people acquire financial literacy skills by 2015. For this, Visa created a special financial literacy site, including materials on budgeting, savings, banking services, the use of bank cards, debt management, security in the use of cards, etc. In addition, the site presents a variety of financial games.

The results of the study conducted by the OECD on the effectiveness of financial education in the USA showed that among employees who have passed these programs, there is an increase in the rate of savings and a decrease in the level of overdue loans [23]. In the Netherlands, in addition to the main target groups such as children and youth, the focus is on citizens with low incomes or without higher education. They are taught daily personal budget management using the Stay positive and Money Help programs, respectively. In Great Britain, the national financial literacy program is implemented in the following priority areas: young parents (New parents: Money Box); schools (Schools: Learning Money Matters); youth (Young Adults: Helping Young Adults Make Sense of Money); workplace program (Workplace: Make the Most of Your Money); informing consumers (Consumer communications); Online tools (Online tools); financial advice (Money advice) [22].

Poland's experience shows that the largest organization that has been developing and implementing financial literacy programs for more than 20 years is the "Kronenberg Foundation" in cooperation with Citi Bank. Their projects: improving the financial literacy of children, students, young entrepreneurs, women entrepreneurs. Since 2005, the largest youth program "My Finances" ("Moje finanse") has been introduced, the main task of which is to teach people to make the right financial decisions and constantly improve their knowledge in the financial sphere. Another national program developed in cooperation with Academic Business Incubators is the "Business Startup" project. This project teaches university students and graduates to turn business ideas into real business, thereby stimulating the country's entrepreneurial activity.

The School of Financial Literacy program implemented in Austria [24] demonstrates that children and youth aged 10 to 18 respond very well to financial literacy programs and easily grasp basic knowledge of financial concepts. The results of the OECD study of the effectiveness of financial education in the USA [56] suggest that among employees who have completed these programs, there is an increase in the rate of savings and a decrease in the level of overdue loans.

In such countries as Taiwan, Singapore, and Malaysia, children are encouraged to be financially literate by publishing books and comics for them, where the main characters, falling into various situations, show by their own example how to act and how not to act in a particular situation.

The experience of implementing financial education programs for adults shows that 1) it is difficult to educate adults if they do not have a specific need for education in the field of financial services; 2) although the nature of financial psychology often makes it difficult to choose optimal behavior, financial education can alert the learner to such dangers and suggest workarounds.

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The world experience of implementing public financial literacy programs confirms the fact that the proper level of financial literacy of the population will contribute not only to raising the standard of living of citizens, but will also positively affect the state of the financial services market and promote the activation of investment processes in the national economy.

Determination of priority areas, tools and appropriate information support for the practical implementation of measures to increase financial literacy based on positive foreign experience will enable the state, higher education institutions and scientific institutions to start solving the problem of low financial literacy of ordinary Ukrainians as soon as possible.

It is necessary to take into account the imperfection of legislative regulation, the impossibility of organizing an effective system of independent consultation of the population throughout the country in the shortest possible time. To do this, it is necessary to improve the regulatory and legislative framework, promptly inform about changes in the legislation, about the issuance and revocation of licenses, cases of fraud, provide coordinates of services and persons that consider public complaints.

The population of Ukraine has a high level of education; however, unfortunately, there is a certain gap in the area of effective personal finance management, leading to their inefficient use and, in some cases, savings loss. Naturally, motivation and the required level of financial knowledge vary across different segments of the population. In particular, older individuals tend to have a certain distrust of financial institutions due to their unfortunate experience of savings loss that they accumulated during the times of the Soviet Union. On the other hand, younger people lack a certain life experience in managing personal finances and have an insufficient level of knowledge about how to achieve their own financial well-being.

Ultimately, the lack of financial literacy poses significant risks to personal finances when individuals make decisions regarding their investment in various investment funds. It is precisely the understanding of the principles of operation of the relevant financial instrument and a clear perception of one's rights and responsibilities that allows distinguishing an honest market participant from a fraudster and safeguarding one's money.

First and foremost, it is necessary to focus on defining objectives and selecting behavioral strategies capable of stimulating economic development based on modeling and analyzing results. The next step is to identify those cognitive skills that most individuals lack to implement the desired economically viable behavior due to the education and training system. Simultaneously, the construction of a choice architecture requiring the presence of proven effective incentivizing alternatives can be considered. All these processes should be accompanied by comprehensive normative and regulatory support at the institutional level, along with the implementation of economic stimulus programs, infrastructure provision, and rational planning.

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