

PERSONAL CAPITAL AND ITS FORMATION INSTRUMENTS

Sydorchuk A.A.

Candidate of Economic Sciences, Associate Professor,
Senior Lecturer at Department of Finance
named after S.I. Yurii,
Ternopil National Economic University

This article explores the essence of personal capital and its classification at the point of view of the purposes of managing personal income and spending. Goals of management of personal incomes and expenditures are divided into short-, medium-, and long-term depending on the time, for which they are developed. On the basis of the study, it is concluded that personal capital consists of an everyday capital, a reserve capital, and an investment capital. In relation to each of these types, tools are offered.

The everyday capital's instruments must have features of a safety and liquidity. The reserve capital must have features of reliability and the investment capital must have features of an income.

The personal capital's formation tools are divided into risk and risk-free instruments.

The risk-free instruments are those, which incomes are known in the future and the risk instruments are those, which incomes in the future are unknown.

The risk-free instruments, deposits, and bonds, as the criteria of safety and liquidity, should be used as the tools for the everyday capital and the reserve capital.

The risk instruments, the stocks, mutual funds, and asset management as the criteria of the income should be used as the tools for investment capital.

Individual savings and an investment during the period of employment activity are considered as a source of increasing welfare of the people of Ukraine. The combination of the risk-free and the risky assets in the management of personal capital raises prospects for the future research in this field of the financial science.