










# “Unveiling individuals’ financial behavior patterns: The Polish-Ukrainian case study in the pre-war period”

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# UNVEILING INDIVIDUALS' FINANCIAL BEHAVIOR PATTERNS: THE POLISH-UKRAINIAN CASE STUDY IN THE PRE-WAR PERIOD

## Abstract

The study investigates the financial behavior of Ukrainians residing in Ukraine and Poland, aiming to identify patterns for the development of customized financial literacy programs. Additionally, it assesses Ukrainians' preparedness, within their behavioral patterns, for global crises leading to financial shocks. During January-February 2022, a survey method was used to collect data from randomly chosen two groups of representatives of Ukrainians in Poland (N1 = 280) and Ukraine (N2 = 341). Data were processed with SPSS. Common patterns were revealed for both Ukraine and Poland, which are based on traditions and personal beliefs: disciplined cash flows controlling of personal budget and forming reserves for different types of crises; concentration on short-term plans and avoiding long-term ones; lack of trust to financial institutions for saving money. Among distinguished patterns are the following: In Poland, Ukrainians are more responsible and attentive to consumer loans, regularly receive and pay bills. In Poland, the investment portfolio of Ukrainians has a more diverse set of instruments. Online financial services are preferable in Poland. The study helps to identify if financially Ukrainians were ready to resist the Russian war in Ukraine. Almost 30% of Ukrainians in Ukraine and 25% in Poland had only reserve for the period 1-3 months. In both countries, they claim they are ready to cover sources of covering unforeseen expenses from their reserves (more than 50% of respondents).

## Keywords

financial behavior, financial literacy, financial education, personal finance, financial services

## JEL Classification

D14, D91, G02, G11

## INTRODUCTION

Economic crises and shocks often trigger panic sentiments, resulting in a swift exodus of funds from the financial system, which can severely impact the broader economy. As such, countries worldwide prioritize financial education initiatives, bolstered by support from international organizations and associations, recognizing that sound financial behavior is the bedrock of economic resilience.

Financial behavior refers to the actions, decisions, and patterns of individuals or entities concerning their financial activities. It encompasses a wide range of financial activities, including spending, saving, investing, borrowing, and budgeting. Financial behavior is influenced by a combination of psychological, social, economic, and cultural factors.

By delving into the patterns of financial behavior of Ukrainians in Ukraine and Poland, this study solves the task of understanding better the implementation of pertinent financial instruments and services, and the enhancement of financial education programs geared towards bolstering the financial acumen of the populace. It also equips stakeholders with the tools needed to forecast and manage consumer finan-

cial conduct, a particularly critical undertaking during times of economic upheaval when low financial literacy and eroding trust in financial institutions can lead to irrational financial decisions.

However, as the migration situation between Ukraine and Poland continues to evolve, there is a notable gap in the understanding of how the financial behavior of Ukrainians, both in Ukraine and those who have relocated to Poland, is influenced by this migration phenomenon. With an increasing number of Ukrainians choosing Poland as their destination for work and residence, this creates a significant contextual backdrop for examining how migration shapes the financial behavior and decision-making processes of Ukrainians.

## 1. LITERATURE REVIEW

The topic of individuals' financial behavior has been actively investigated over the past decades, both by international organizations such as the Organization for Economic Cooperation and Development (OECD), the World Bank, the International Finance Corporation (IFC), the United States Agency for International Development (USAID), the International Labour Organization (ILO), and by scholars from various fields of behavioral sciences.

A literature review allowed to identify general key factors in the financial behavior of individuals. These factors include *financial literacy* (encompassing aspects of financial discipline, security, and access to financial resources), *security, regulatory frameworks established by public authorities and central banks*, and *environmental conditions* (including various types of shocks such as pandemics, armed conflicts, disasters, etc.).

*Financial behavior and financial literacy.* According to prior research conducted by USAID (2021), the level of financial literacy correlates with and exerts an influence on the United Nations' Sustainable Development Goals (SDGs). These goals aim to eradicate poverty, protect the planet, achieve peace, and promote prosperity for all citizens. A recent study by USAID (2021) highlighted the disparities in financial literacy levels between Ukraine and Europe, underscoring the urgency of addressing this knowledge gap.

One of the determinants recognized by the OECD is financial literacy, regarded as a factor contributing to the improvement of the socio-economic conditions of society. According to research on adult financial literacy conducted by the OECD-

INFE (2021a); OECD (2020); OECD (2020a); OECD (2020c); OECD (2020e), financial education stands as one of the most crucial components in enhancing the financial capabilities of individuals and ensuring the stability of the financial system as a whole.

According to the OECD survey conducted in 26 countries worldwide (OECD, 2020f; 2019), where financial awareness is high, over 80% of respondents are familiar with at least 5 different financial products. However, the utilization rate remains low. This suggests that awareness and financial knowledge do not guarantee their practical application. Therefore, there are other determinants of financial behavior that need to be identified and analyzed for further conclusions.

USAID's studies (USAID, 2021; USAID, 2019) emphasize that sustainable development requires the growth of a healthy, educated and productive population and the opening of new markets. For this, it is necessary to widely introduce innovative financial instruments available to a wide range of individuals, as well as to ensure the growth of public trust in the banking system and the volume of use of its services, as well as to reduce the risks of pension systems.

Personal investments demand more intricate financial management skills, which necessitate specific knowledge and an understanding of risks (IOSCO/OECD INFE, 2019).

The behavior related to the acquisition of more complex financial instruments with higher profitability, as well as innovative digital tools (Pawłowski, 2018), is also influenced by one's knowledge about them. Prokopenko et al. (2022) focused on improving access to finance through

digital banking products, which necessitate fundamental knowledge of financial and computer literacy.

Świecka (2018) categorizes competencies in personal finance management into two distinct categories: «hard» and «soft.» The hard competencies encompass specific skills that can be readily assessed and quantified. For instance, how to use loans, savings accounts, and various savings methods, as well as the ability to open an online account, make card transactions, and so forth, fall within this category. Conversely, the soft competencies encompass psychological factors, skills, social abilities, behaviors, habits, beliefs, and the like.

People demonstrate a better understanding of financial concepts when they encounter them in their daily lives (Lusardi & Mitchell, 2014; Hashmi et al., 2021). Rational financial behavior aids individuals in avoiding costly financial mistakes in the future, such as credit card defaults or the utilization of dubious financial services. Healthy financial behavior and the development of adult financial literacy can also have an impact on economic well-being and the financial socialization of future generations (Money and Mental Health Policy Institute, 2021).

The study by the Investor Education Foundation (FINRA, 2018) indicates that investors' knowledge also plays a role in shaping the investment climate. Prokopenko (2011) proved people with strong knowledge tend to make smart decisions to buy more ecological product or services by disputing the higher price, and this can be applied to digital financial services.

*Security* Risk-prone financial behaviors, such as impulsive spending, careless credit card usage, and irresponsible debt management, impact the financial well-being of young individuals (Amari et al., 2020; Febriandika et al., 2023; Setiawan, 2023). Low financial tolerance and high financial vulnerability represent concerning trends that may affect the youth in the future by reducing asset accumulation and diminishing pension savings (Aristei & Gallo, 2021; Kolodiziev et al., 2021; Horák et al., 2022; Bekbossinova et al., 2023; Kumar et al., 2023; Kaliuha et al., 2023). Research conducted by experts from the World Bank (2021) has demon-

strated that targeted financial literacy programs geared towards specific behavior of the population can lead to more informed financial decisions. Furthermore, there exists interdependence between financial literacy and actions such as loan repayment, savings, and retirement planning.

Wrong financial decisions are related to market asymmetry. To resolve the problem of market asymmetry different types of digital platforms on financial literacy can be used (Ivaschenko et al., 2017). However, there should be incentives to use financial literacy digital platforms.

*Established rules by the public authorities and central banks.* Some scholars argue that it is necessary to consider their credit behavior within the context of financial behavior (Kaminskyi et al., 2023; Dubyna et al., 2023; Dubyna et al., 2022; Dubyna et al., 2021), particularly in countries with a bank-centric financial system, as this is of utmost importance. This underscores the significant influence of institutions that prevail within the analyzed countries.

According to the World Bank Development Research Group (World Bank, 2021), one of the determining factors of financial behavior is the rules established by the government and their implementation of financial education programs for children, youth, and adults which are not equally effective. Therefore, it is crucial to create and implement localized programs, adapting them to different segments of the population after assessing the demand and the consumers' needs.

*Environmental conditions.* The financial behavior of the population is influenced by various external factors and global trends. For instance, the situation surrounding COVID-19, which led to a deterioration of the population's financial well-being, a rapid transition of institutions to online formats, and the digitization of services (Yakoboski et al., 2021; Tagiyeva et al., 2023; Gomez-Pino et al., 2023; Boiko et al., 2023).

One of the issues studied by ILO (ILO, 2018) is migration. For migrants and their families, it is crucial to possess the skills to analyze expenses, set goals, make plans, and manage budgets. They require accessible and stable financial services, in-

cluding loans, deposits, insurance, money transfers, and more. Limited financial literacy complicates the ability of migrants and their families to make informed financial decisions. This challenge is particularly pertinent to young women. Women and girls often lack the necessary life skills, knowledge, independence, and experience to make sound financial decisions.

De Arcangelis and Joxhe (2015) compared financial behavior of temporary and permanent migrants versus natives in Great Britain. They proved that temporary migrants tend save more than permanent. Abdul-Razzak, Osili, Paulson (2015), exploring financial behavior of migrants in the United States and Italy, found that regulations of the host country affect financial access of migrants. Moreover, institutional characteristics of the home country impact further migrants' using financial services and products. Using clustering analysis and multinomial logit regression model Kushnirovich (2016) proved that investment behavior is determined by cultural, economic and social specifics of the immigrants. Immigrants are less likely to prepare themselves financially for their retirement or to have long-term investments. Chen and Lemieux (2016) studied migrants' financial behavior in China and revealed that there was huge difference between natives. Kim et al. (2022) conducted similar research but on financial behavior of overseas Filipino workers in South Korea. The results demonstrated that Filipino workers prefer to act in simple financial activities because they do not have complex financial management skills.

This study covers the gap of understanding if migrants' financial behavior is the same with those who live in their home country, their cultural impact of their motherlands and local rules established by the governments. Therefore, the study aims to reveal common and distinguished patterns of financial behavior of Ukrainians who live in Ukraine and Poland for further development of tailor-made programs for improving their financial literacy. As well as to understand the extent to which Ukrainians are prepared for crises within their behavioral patterns.

The financial behavior of individuals is influenced by a combination of factors, including their country of residence, the level of financial market regulation, family traditions, and personal beliefs. To investigate this hypothesis it is necessary to examine whether

individuals from the same ethnic group, living in different environments, exhibit variations in their financial behaviors, thus providing insights into the impact of these factors on financial decision making.

## 2. METHODS

In this study, a survey methodology was employed to collect data from a diverse participant sample. The survey instrument was developed after the desk review of the results of international research on financial behavior and financial literacy. It drew on these findings to delve deeper into the financial behavior of Ukrainian migrants to Poland and Ukrainians who live in Ukraine.

*Sample characteristics.* The randomly chosen cohort was divided into two groups according to the aims of the study: Ukrainian migrants to Poland ( $N_1 = 280$ ) and Ukrainians who live in Ukraine ( $N_2 = 341$ ).

The study was conducted between mid-January and February 24, 2022, in Poland and Ukraine. The survey was originally planned to conclude in early March but was terminated earlier due to the Russian military aggression. All the participants were aged older than 18 years.

*Specifics of the questionnaire.* Various question types and response collection methods were utilized in the survey, including multiple-choice questions, self-assessment scales, single-choice questions, and the option for respondents to provide their own answers. Response avoidance was minimized using mandatory response formats. Questionnaires' questions are grouped into the following sections, reflecting research questions: 1) financial situation and self-assessment of knowledge, 2) financial behavior, 2) long-term financial planning, 3) use of financial tools and factors on financial decision making, 3) current problems of financial education and channels for obtaining information, 4) readiness/attitude to risk and investments, 5) influence of the environment on financial decision-making. The questionnaires for Ukrainians in Ukraine and Poland are [here](#).

*Data collection and data analysis.* Given the COVID-19 pandemic and quarantine restrictions, the survey was conducted using the CAWI method. The filled questionnaires were ana-



lyzed using the IBM SPSS Statistical Package for the Social Sciences program.

*Dissemination strategy and reaching respondents.* The selection criteria for these respondents were diverse, including members of specialized migrant communication groups on social networks and messengers, students from universities in Poland, members of the Ukrainian Cultural and Development Center platform in Wrocław, individuals with Ukrainian and Polish heritage, and alumni of the Kirkland Scholarship Program, among others. These diverse sources allowed for the survey to be conducted among students and migrants from Ukraine in Poland and among people sharing common interests and problems. A qualitative connection was established with participants through group founders by informing them of the purpose, objectives, and nature of the survey.

In social media, survey links were disseminated from a personal page, accompanied by explanations regarding the survey. Leveraging the trust people place in individuals over organizations or institutions, complete information about the study and the interviewer was provided, including the universities involved and the objectives and future plans related to the survey.

### 3. RESULTS

In examining the financial behavior of participants, the researchers sought to identify similarities and differences between two distinct groups: Ukrainians living in Poland and those residing in Ukraine.

The average income is influenced by the minimum wage set in the country. The minimum wage in Ukraine at the time of the survey was 5,232 hryvnias or 747.5 zlotys net (at the exchange rate of 7 hryvnias per zloty), in Poland it was 2,363.57 zlotys (Główny Urząd Statystyczny, 2022), that is three times higher. Accordingly, even with receiving the minimum wage in Poland, the average income of Ukrainians will be higher than in Ukraine.

During the analysis of the financial status of Ukrainians, it was revealed that among respondents in Poland, the majority reported a monthly net income ranging from 2,000 to 5,000 Polish zlotys (60.7%). Among those surveyed in Ukraine, 54.3% reported monthly net incomes ranging from 7,000 to 21,000 Ukrainian hryvnias, while 13.2% reported incomes below 7,000 Ukrainian hryvnias. More detailed information regarding the income levels of Ukrainians is presented in Figure 1.

Most respondents have savings (see Figure 2). Notably, Ukrainians residing in Poland tend to save more compared to their counterparts in Ukraine: on average, they have the amount of savings to cover basic expenses for a period of 1 to 3 months, in Ukraine – up to 1 month. Having savings and being able to support yourself for a certain period in the event of a loss of income adds confidence and reduces stress due to economic crises and unforeseen situations (such as the COVID-19 pandemic), which lead to the loss of income for entire segments and categories of society around the world.

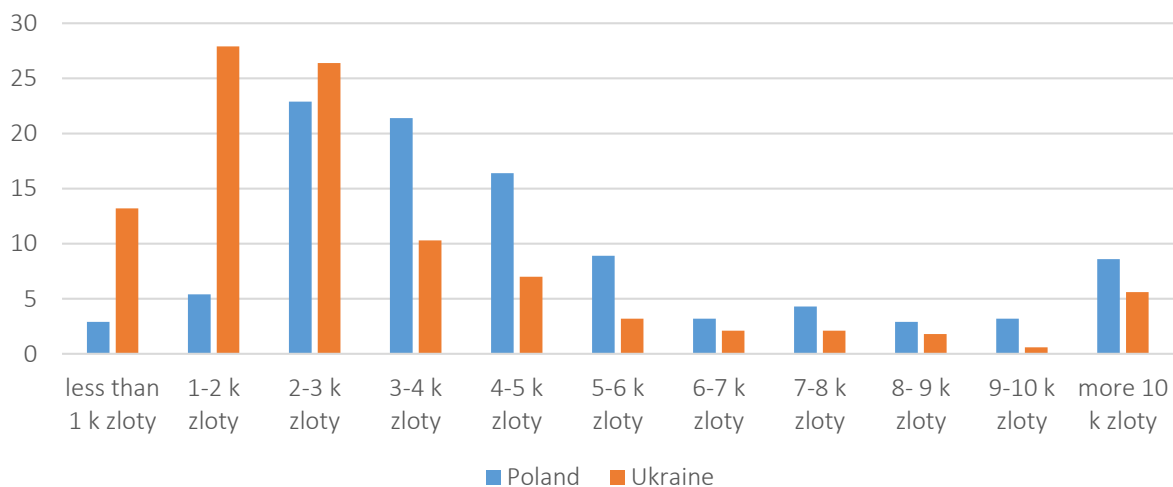
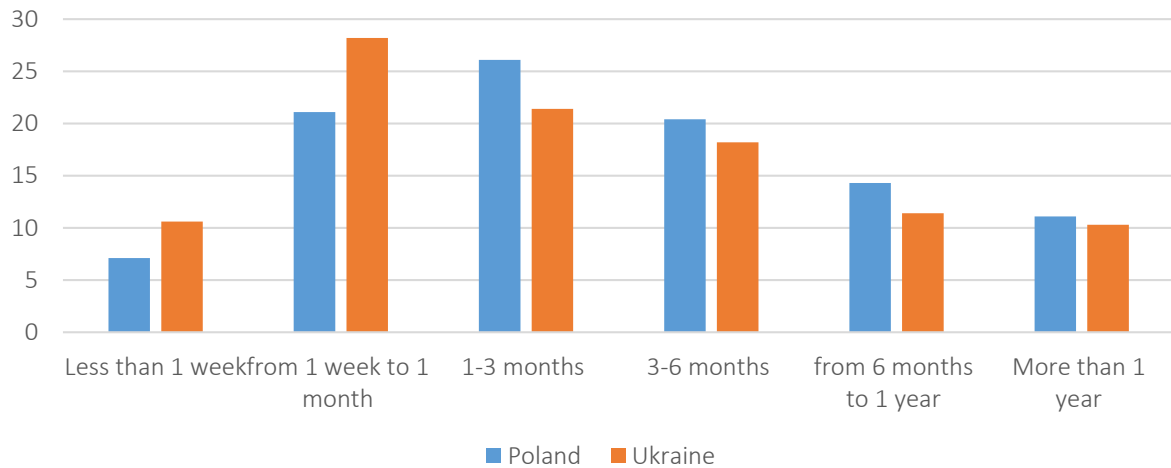


Figure 1. Income level of respondents in Poland and Ukraine, 2022

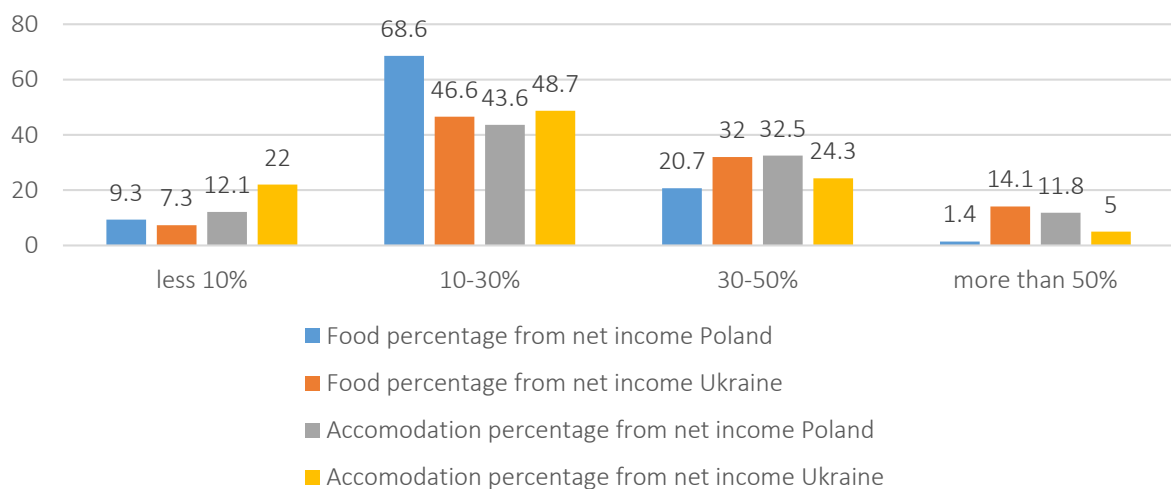


**Figure 2.** Period for which savings will last in case of loss of income in Poland and Ukraine, 2022

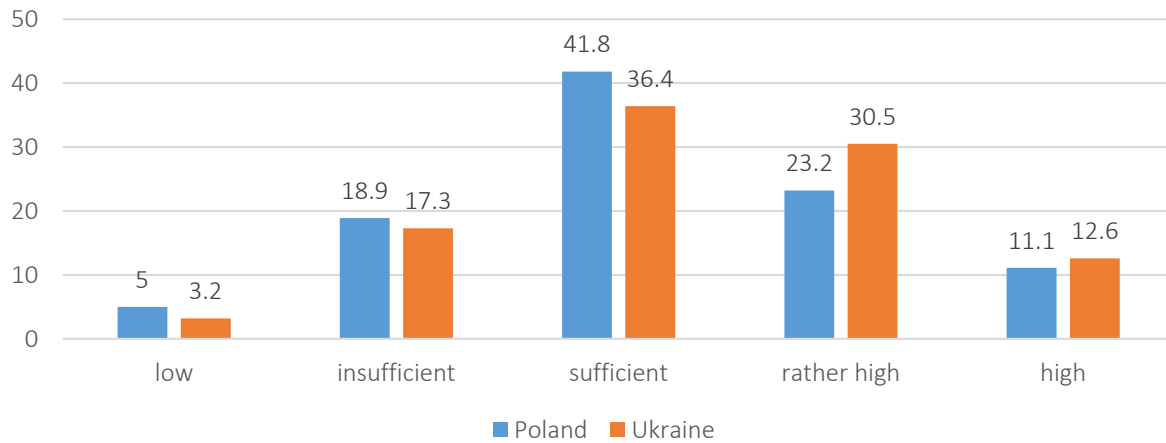
Figure 3 shows the financial situation as the indicator of the share of net income spent on food. In Poland, for many respondents, this indicator ranges from 10 to 30%, in Ukraine – from 10 to 50%, 14.1% of respondents living in Ukraine spend more than 50% of their budget on food, in Poland – 1.4 % of respondents.

The share of expenses for food and fixed expenses reflects the financial situation. According to official statistics, the average value of the indicator of expenditure on products in Poland is 16.4%, in the EU – 14.8%, and in Ukraine – 46% (Euromonitor, 2022). The average value in Ukraine is three times higher than in Europe, which indicates a lower standard of living and a lack of free funds for investing and creating long-term savings.

The situation with respect to other fixed costs is the opposite. 11.8% of respondents in Poland indicated that constant expenses (for housing, communal services, transport, Internet, etc.) make up more than half of the budget, while in Ukraine the same indicator is found in 5% of respondents. Obviously, this relates to the fact that in Ukraine the real estate usually is in property ownership. The share of net income that is spent monthly on housing, communal services, transport, other monthly mandatory payments such as the Internet, mobile communication, loans, etc., for most respondents, is from 10 to 50% of total expenses in both Ukraine and Poland. However, 22% of respondents in Ukraine and 12.1% in Poland spend less than 10% of their income on fixed expenses.



**Figure 3.** Share of expenses for food and accommodation in Poland and Ukraine, %, 2022



**Figure 4.** Level of financial knowledge self-assessment in Poland and Ukraine, %, 2022

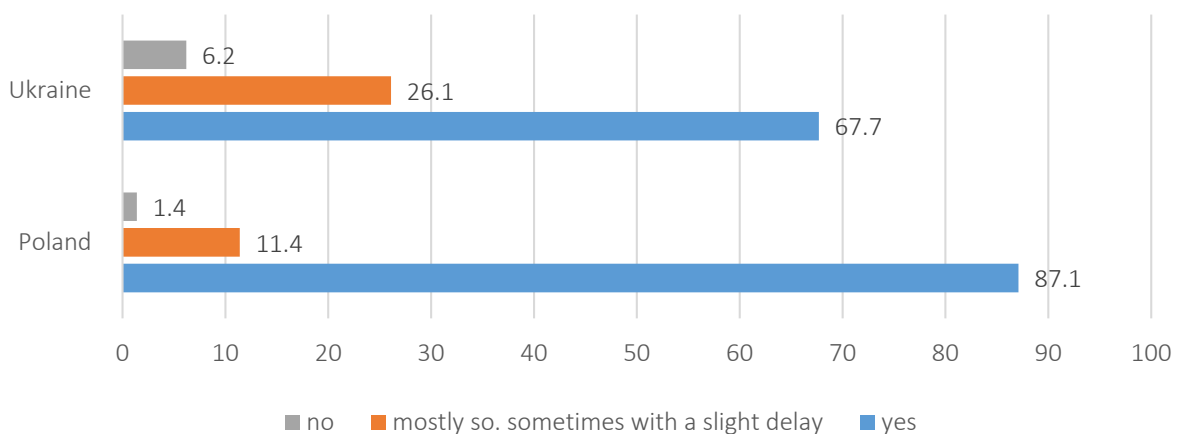
Figure 4 shows that respondents assessed their financial knowledge independently on a scale from 1 to 5, from low to high knowledge, respectively. Many respondents consider their knowledge sufficient and high: in Poland – 76.1% of respondents, in Ukraine – 79.5%. The assessment of one’s own financial knowledge gives an understanding of how confident people are in their knowledge, demonstrates the ability to consciously make financial decisions, which can encourage more active use of financial products and services, and demonstrates the need and readiness for financial education. In Ukraine, most respondents are confident that they have a high level of knowledge, in Poland there are more respondents who consider their knowledge sufficient and low.

The ability to pay bills on time is considered one of the simplest financial practices in cash flow man-

agement (Lusardi & Mitchell, 2014), but the survey showed that 32.3% of respondents in Ukraine do it with a slight delay or not on time (Figure 5).

Ukrainians in Poland are financially disciplined and used to paying mandatory payments, taxes, and other obligations on time (87.1%). In Ukraine, financial discipline is weaker – those who do not always make payments on time are 2.5 times more than among Ukrainians in Poland. The financial discipline of Ukrainians is quite high. Only 12.8% of respondents in Poland do not always pay their bills on time, in Ukraine, 32.3%, that is, 2.5 times more. Financial planning and control are fundamental to changing financial behavior and improving personal finance.

Most respondents control their funds, but do it intuitively, without keeping records: 50.7% and 55.7% in Poland and Ukraine, respectively. Ukrainians give priority to keeping an informal



**Figure 5.** Ability to pay bills on time by respondents in Poland and Ukraine, %, 2022





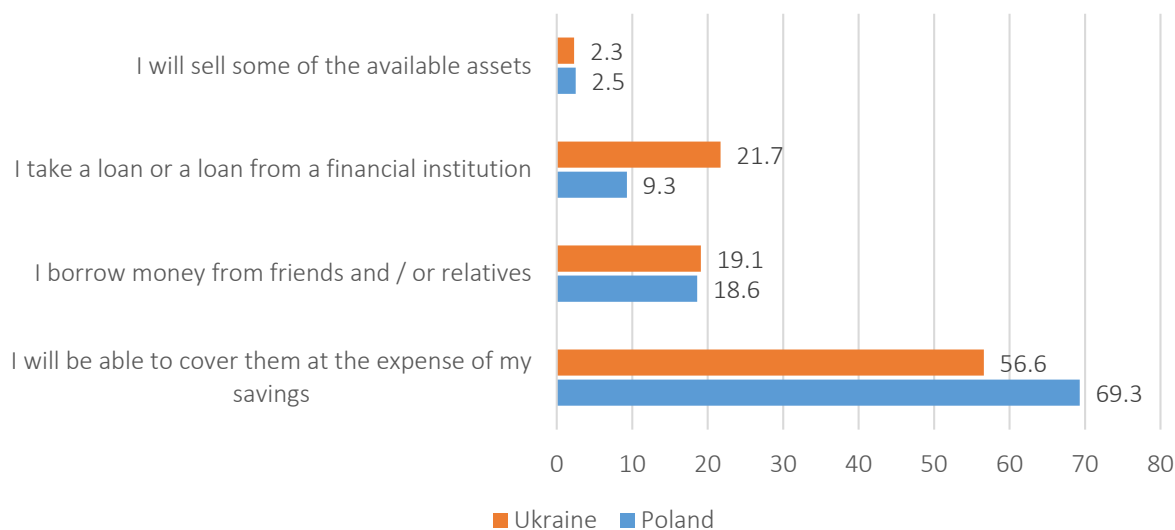
**Figure 6.** Control of financial flows by respondents in Poland and Ukraine, %, 2022

mental budget – half of the respondents actually do not record their income and expenses; however, they control them. Among the other half of the respondents, it is popular to manage the budget with the help of special mobile applications (17.5% in Poland and 13.2% in Ukraine) and with the help of various programs on the computer (10.7% and 10%) and on paper (11, 4% and 16.1%). In general, 8.6% of respondents in Poland and 4.7% in Ukraine do not keep a budget (Figure 6).

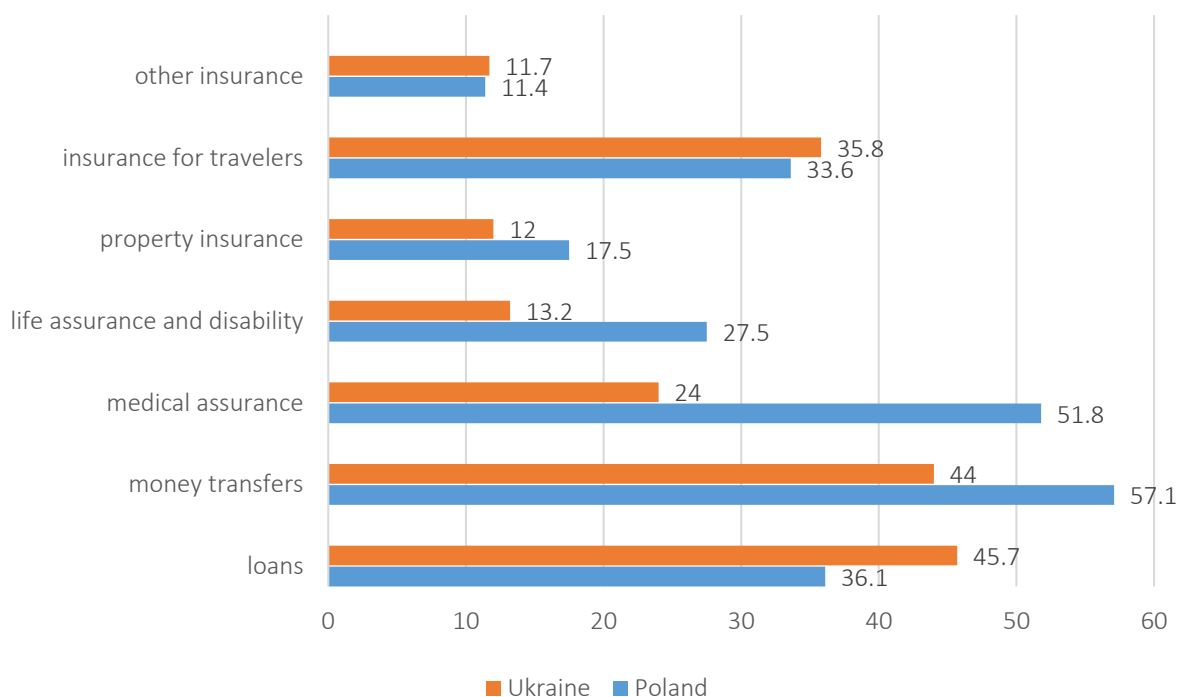
Figure 7 shows that most Ukrainians have a reserve that can cover unforeseen expenses in the amount of the average monthly income (69.3% of respondents in Poland and 56.6% in Ukraine) and in such situations are more inclined to private

loans from friends and relatives (18.6% and 19.1%, respectively). Among Ukrainians in Poland, the vast majority are not ready to use consumer loans, only 9.3% would use credit funds to cover unforeseen expenses. The situation in Ukraine is significantly different from the situation in Poland: 21.7% of respondents are ready to apply for a loan from financial institutions (2.3 times more than in Poland).

61.4% of respondents in Poland and 61.3% in Ukraine agree with the statement that money is needed to spend, not to save, which indicates short-term financial planning (Q 17 in the Ukrainian and Polish questionnaire). This phenomenon can be explained by the low awareness about financial



**Figure 7.** Sources of coverage of unforeseen costs of respondents in Poland and Ukraine, %, 2022



**Figure 8.** Financial instruments used by respondents during the last 12 months in Poland and Ukraine, %, 2022

services and the lack of trust in financial institutions and instruments, as well as the instability of the economic and financial system, the low level of stability during economic shocks, the high level of inflation, currency fluctuations, the volatility of the national currency, etc.

A significant part of the respondents in Poland and Ukraine strives to plan and achieve their financial goals, but currently do not do so under the influence of various circumstances.

Information on the use of financial services and tools is presented in Figure 8. In general, in Ukraine, bank loans were used to a greater extent (45.7% of respondents), and insurance was significantly less, especially medical and life and disability insurance (indicators in Ukraine are two times lower than in Poland). Medical insurance in Ukraine is not mandatory and is more common among employees of corporations, that is, it is provided by employers. The situation is similar with life and disability insurance. The only type of insurance that is actively used in Ukraine is travel insurance. First, it is mandatory when preparing documents for going abroad. Secondly, the comparatively higher cost of medical services in other countries encourages Ukrainians to actively use this type of insurance.

When choosing a financial service and/or instrument, Ukrainians in Poland consider the possibility of applying for a financial service online (confirmed by 93.6% of respondents) and the clarity of the financial service/instrument (72.5%) to be important. This may indicate certain difficulties in communication and avoidance of direct contact with employees of financial institutions. Although the comprehensibility of the tool/service is also quite important. It is interesting that Internet reviews are 2.2 times more important for Ukrainians in Poland than in Ukraine. This may indicate that in Ukraine, there is a greater demand for consultations in financial institutions when choosing a service/tool, while in Poland people are more oriented to information on the Internet and arrange services/products on their own. In Ukraine, there are few people who are ready to independently understand and arrange services online, as well as follow advice from the Internet. Also important are the promised level of income (43.9%) and the period of the institution's operation in the market (42.1%). Those who rely on reviews on the Internet and from relatives and friends amounted to 20.4% and 31.4%, respectively (Q 20 in the Ukrainian and Polish questionnaire).

In Ukraine, the possibility of ordering financial services online is less important compared to the clarity



**Figure 9.** Respondents' attitude towards investment in Poland and Ukraine, %, 2022

of the terms of the instrument/service and the projected income.

The survey identified the type of investor of the respondents: risky, moderate, or conservative. Ukrainians in Poland are characterized by moderate (70.7% of responses) and conservative (23.9%) behavior in financial matters, with 5.4% willing to risk their money to maximize their profits. Respondents in Ukraine are also characterized by moderate (69.8%) and conservative (27.6%) behavior in financial matters, with 2.6% willing to take risks. Figure 9 shows answers to the questions about investment and factors that hinder it, while Figure 10 shows the directions of Ukrainians' investments over the past year (Q 21 in the Ukrainian and Polish questionnaire).

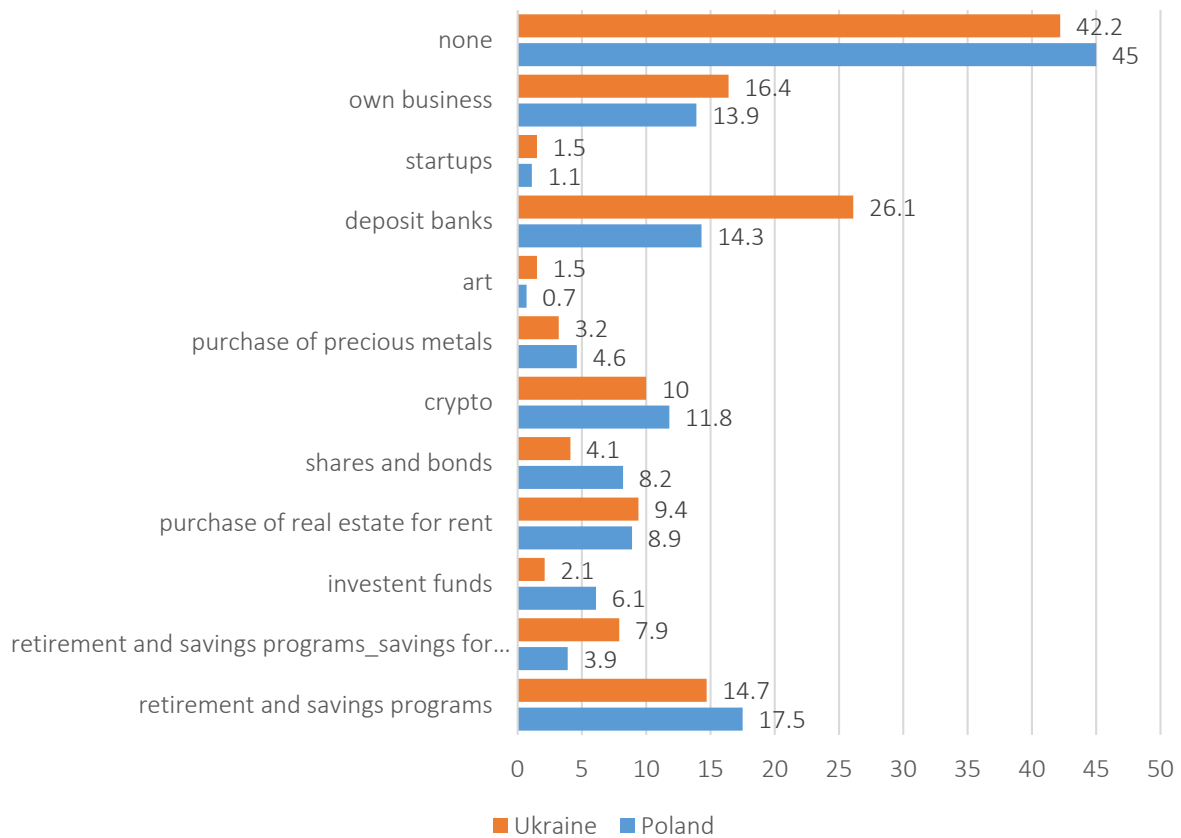
Comparing the behavior of Ukrainians as investors in Ukraine and Poland, it can be said that in Ukraine there are fewer risk-ready, more conservative potential investors. That is, the primary priority is the guarantee of refund, not the amount of income. Therefore, when creating educational programs, information on financial instruments with a low level of risk should be provided as a priority.

The investment mood of Ukrainians is shown in Figure 9. In both countries, 3.2% of respondents do not consider it necessary to invest. However, 25.7% and 23.8% in Poland and Ukraine, respectively, invest. At the same time, 27.1% of Ukrainians in

Poland believe that they lack *knowledge and information*, 26.4% – *capital*, and 12.1% – *time to understand the topic of investments*. The main reason why they do not invest in Ukraine is the lack of capital (almost 40% of respondents think so), 19.1% of respondents lack knowledge, in Poland these figures are 26 and 27%.

Figure 10 shows that 45% and 42.2% in Poland and Ukraine, respectively, did not use any investment instruments. In Ukraine, the most popular are bank deposits (26.1%), investments in one's own business (16.4%), and pension and savings programs (14.7%). Among Ukrainians in Poland, bank deposits are almost two times less popular (14.3%), the most popular are pension and savings programs (17.5%) and investments in one's own business (13.9%).

Lack of understanding about the amount of capital needed to live in retirement and distrust of the financial system hinders the creation of capital for retirement. In addition, having several generations of pensioners fully supported by the state causes problems with long-term planning. The credo established in the collective economy that people work for the state first, and then the state provides for people's needs, remains relevant for many Ukrainians, although the economic system has long since changed. In general, Ukrainians have a positive attitude toward long-term planning, but they are not ready to act. This situation may arise from political and economic in-



**Figure 10.** Investment trends during the last 12 months in Poland and Ukraine, %, 2022

stability and uncertainty about the sustainability of financial institutions in the long term.

Changing financial behavior requires the direct involvement of financial institutions, namely the development of transparent, high-quality products and services. Since the ability to design financial products online is important for most users, it is important to provide this opportunity and create favorable conditions for self-designation of services. State policy, increasing trust in politicians, state institutions, the national bank, optimizing taxes, etc., are important for behavior change. Knowledge and understanding the functions of financial institutions and instruments can also positively influence the financial behavior of consumers.

#### 4. DISCUSSION

Ukrainians in both countries demonstrate appropriate level of financial literacy. According to the self-assessment indicators, more than 75% in Poland and Ukraine consider their knowledge

as sufficient, rather high, and high. This proves Kaiser et al.'s (2021) results – financial behavior is considered an essential component of financial literacy, but it exhibits a weak correlation with financial knowledge. Being knowledgeable does not guarantee rational financial behavior and increased utilization of financial instruments.

Although Yakoboski et al. (2021) claimed that COVID-19 accelerates the development of digital transformation, Ukrainian migrants prefer to use online service more often because of the language barrier, as the study showed.

Ukrainians are focused on short-term planning. Answers to questions about long-term planning indicate that Ukrainians are focused on the short future and are not used to long-term planning. The same results were shown in the NBU study (USAID, 2021). This indicates a concentration on short-term plans and the use of income in the short-term period.

Ukrainians in Poland are more inclined to private loans from friends and relatives than to

use consumer bank loans, only 9.3% would use loans in the event of an urgent need. In Ukraine, this figure is 21.7%. According to earlier studies (OECD, 2021), the preference for private loans over loans from financial institutions is observed among the population with a low level of financial knowledge and a low level of trust in financial institutions. Since the willingness to borrow money from friends and relatives is the same (18.6% and 19.1%), the main difference in the behavior of Ukrainians in Poland and Ukraine is that consumer lending is more accessible in Ukraine. In Poland, Ukrainians form more savings to cover unforeseen expenses. It can be concluded that

reducing the availability of consumer loans can have a positive effect on financial behavior and stimulate the formation of savings.

The scientific novelty of the study lies in its comparative, multidimensional, and practical approach to understanding the financial behavior of Ukrainian migrants in different environments.

As the study was conducted before the Russian military aggression and the large wave of Ukrainian migration, future research directions will focus on the financial behavior and condition of Ukrainians during the war and post-war periods.

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## CONCLUSIONS

This study aimed to uncover the financial behavior patterns of Ukrainians living in Poland and Ukraine during the pre-war period and to identify the factors influencing their financial decisions. The findings reveal both common and distinct patterns in the financial behavior of these two groups, driven by a combination of cultural traditions, personal beliefs, and external factors, such as regulatory environments.

Common patterns among Ukrainians in both countries include their tendency to control finances, create cash reserves, focus on short-term planning, keep savings outside the formal financial system, and display a low level of trust in investment instruments. They also express a strong interest in financial education yet prefer to make financial decisions based on personal experience and information from trusted sources.

Distinctive patterns emerge as well. Ukrainians in Poland exhibit greater financial discipline, avoid consumer loans, and have a more diversified investment portfolio. They also make more use of insurance services and online financial instruments. These differences are attributed to the influence of the regulatory environment and market conditions in each country.

The implications of this study are significant, as they can inform the development of tailored financial literacy programs and financial products and services to enhance financial inclusion for both Ukrainian communities in Poland and Ukraine. In particular, migrants require assistance and adapted financial services that consider their unique needs and priorities. By understanding these distinct financial behaviors, financial institutions and policymakers can better address the challenges faced by these communities and contribute to their improved financial well-being.

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