

## CONTEMPORARY FAMILY SECURITY IN ITS ECONOMIC ASPECTS

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### ABSTRACT

The efforts to ensure the economic security of the contemporary family is a continuous process in which the family strives to attain the needed level of economic well-being, as well as to accumulate reserves in case of future unfavorable events. The aim of the article is to identify factors that affect the level of family economic security in an economic and social context. Defining these factors, categorizing and analyzing them in their multidimensionality will allow to determine the level of the said security in an examined period. The determination of the family's safety factor on the basis of the conducted research will allow, in economic terms, to confirm the disproportions in its level as well as the directions and changes in possible remedial actions. The conducted statistical surveys show the contemporary economic security of families as a set of socio-economic factors affecting families economical potential and the ability of families to respond to threats. They also confirm that the level of family economic security in the analyzed period, 2012-2017 in sixteen voivodships, was systematically growing.

### KEY WORDS

economic security, contemporary family, coefficient, determinants

### INTRODUCTION

Family economic security can be defined as a state that gives a sense of certainty, as well as an opportunity of survival, of maintaining identity, inde-

pendence and peace, and of the possibility of development. Reaching and maintaining economic security is a continuous process in which the needs of the family are sought at the appropriate level and reserves are accumulated in case of future unfavorable events. Kostecki wrote that the scope of the impact of economic security seems to be unlimited, hence the determinants analyzed can refer to the activities of an individual, a household, an enterprise, as well as processes taking place in the national, regional and global dimensions.<sup>1</sup> Kośny indicates that the modern family, as a social institution, is an object of interest in many research fields – especially psychology, sociology, pedagogy, and law. However, the interest of economics in family issues is relatively small.<sup>2</sup>

The perception of family security in the economic context is influenced by many factors that can create favorable conditions or cause threats to the stable level of family life. The description of the family from the point of view of economics means, therefore, both the analysis of the current situation and the search for past conditions that have influenced this situation. Defining the factors that affect family safety, their categorization in their many dimensions as well as their analysis will allow to determine the level of this security in the examined period, as well as the direction of changes and the threats that may affect a family in the future.

#### THE PURPOSE AND METHOD OF THE STUDY AND THE AREA OF STUDY

The aim of the study is to define the problem of family economic security. For this purpose, the identification of the factors affecting the level of family economic security has been carried out. It has been determined in which dimensions these factors affect the family and on which factors the strength of their influence depends.

The subject of the research is the local environment in which the modern family functions, as well as the determinants that occur in this socio-economic environment and affect the family life, directly or indirectly.

The analysis was carried out in the period 2012–2017. Sixteen voivodships in Poland were covered by the study area.

To assess the level of family safety, diagnostic variables were identified that affect the safety of the family and determine the risks that may affect

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<sup>1</sup> J. Kostecki, *Wpływ czynników wewnętrznych i zewnętrznych na bezpieczeństwo ekonomiczne Polski*, Warszawa 2012, p. 56.

<sup>2</sup> M. Kośny, *Determinanty bezpieczeństwa ekonomicznego rodzin*, Wrocław 2013, p. 12.

the investigated families. The areas selected for the assessment have been the following: the financial, the economic, the investment-related, the educational, and the cultural area.

The output data used in the calculations come from the Local Data Bank Database.

## THE MULTIDIMENSIONALITY OF ECONOMIC SECURITY AND THE FUNCTIONING OF THE FAMILY

### FAMILY SAFETY

Safety is one of the most important values in a person's life. Security is the ability to function in an undisturbed way and means an objective absence of threat, perceived subjectively by individuals or groups.<sup>3</sup>

Family economic security can be defined as a state that gives a family the sense of certainty, allows for its survival, and allows it to maintain its identity, independence and peace, as well as to be capable of development. However, it should be noted that the family's economic security cannot be limited only to shaping income that guarantees a decent life. To complete the analysis, economic, social and political inequalities should also be taken into account. In the economic dimension, inequality means differentiation in income, employment opportunities, ownership of property, and living conditions. In the social dimension, it means differentiation in education, prestige, lifestyle, participation in culture and social capital. In the political dimension, it means differences in the participation in power and civic engagement.<sup>4</sup>

A family functioning as a household is defined as one of the business entities that in practice may be:<sup>5</sup>

- one person who lives and maintains themselves on their own,
- a team of people who live together or separately, are usually connected by biological or family bonds, managing a household together.

Such an entity is classified as an economic category, and the criterion of its classification is the possession and management of a common budget and assets, which is aimed at satisfying the needs of household members.<sup>6</sup>

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<sup>3</sup> L. Korzeniowski, *Zarządzanie bezpieczeństwem. Rynek, ryzyko, zagrożenia, ochrona*, Kraków 2000, p. 437.

<sup>4</sup> M. Wójcik-Żołądek, *Nierówności społeczne w Polsce*, „Infos”, 2013, no. 20.

<sup>5</sup> A. Balicki, *Analiza rynku*, Gdańsk 2002, p. 95.

<sup>6</sup> *Ibidem*.

According to M. Adamska, a household is an autonomous unit. "It is either a single person or a multi-person team of relatives and/or unrelated people, jointly living and making decisions about managing the household budget together. It is a community permanently engaged in activities aimed at satisfying the needs of its members and guaranteeing them the best level and quality of life".<sup>7</sup>

#### SAFETY AREAS OF THE CONTEMPORARY FAMILY

The family is the most important and basic cell of every society, which is the foundation of all socio-economic activities. In the economic approach, the family is perceived as a household, managing its resources and participating in consumption processes.

Among the most important features from the point of view of the specific functioning of a household, one should mention the following:<sup>8</sup>

- the ability to make specific decisions, including economic decisions,
- striving to achieve maximum satisfaction,
- striving to provide household members with the maximum of benefits from the purchased goods.

Each household is characterized by rationality of behavior, expressed in the following features:<sup>9</sup>

- it has its own preferences and within defined limits, it can define its aspirations,
- it is able to sort out its aspirations in a hierarchical way,
- it makes the necessary choices because it is guided by the principle of maximizing its usefulness or satisfaction.

Each standard household makes consumer decisions, first of all guided by the hierarchy of the needs of its members. Due to the usually limited budget, it fulfills the needs, guided by their hierarchy and the value that they have for the functioning of the family. Accordingly, it realizes food expenses in the first place, while the next areas of fulfilled needs are, depending on internal arrangements, the following:<sup>10</sup>

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<sup>7</sup> *Bankructwa gospodarstw domowych. Perspektywa ekonomiczna i społeczna*, M. Adamska (ed.), Warszawa 2008, p. 15-16.

<sup>8</sup> Z. Dach, *Podstawy mikroekonomii*, Kraków 2001, p. 57-58.

<sup>9</sup> J. Kisielnicki, *Zarządzanie. Jak zarządzać i być zarządzanym*, Warszawa 2008, p. 173.

<sup>10</sup> *Konsumencki proces decyzyjny i jego determinanty*, E. Kieźel (ed.), Katowice 2006, p. 217-218.

- clothing and footwear,
- flat, fuel, electricity, gas,
- fashion,
- personal hygiene,
- health protection,
- culture, education, sport,
- tourism, leisure,
- communication and transport,
- expenditure of free choice.

It is worth noting that among the factors determining the rationality of consumer behavior, there are the following:<sup>11</sup>

- sex,
- age,
- level of education,
- profession,
- level of income.

At the same time, as the same author points out (Kieźel 2008, p. 123), as far as the specifics of rational actions are concerned, consumers have clear preferences as to how they:

- analyze their needs and classify them,
- define the urgency of their needs,
- strive to achieve satisfaction.

In practice, the hierarchical sequence of the needs should be considered both for each individual and in relation to market conditions. Interestingly, according to the results of the research, the main determinant of the rationality of consumer behavior is economic conditions, because they influence to the greatest extent the distribution of income on particular needs. Consumer behavior depends on many factors, as mentioned earlier. It is worth emphasizing again that these include the following factors:<sup>12</sup>

- economical,
- demographic,
- social,
- psychological.

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<sup>11</sup> E. Kieźel, *Racjonalność konsumpcji i zachowań konsumentów*, Warszawa 2004, p. 76.

<sup>12</sup> *Ibidem*, p. 77, 123, 159.

Therefore, in order to understand what guides a consumer in a household in their purchasing decisions, it is first of all necessary to look at the following conditions:<sup>13</sup>

- mobility,
- physical needs,
- mental needs,
- expectations.

These factors impose a number of limitations on the consumers as regards their activity on the market of goods and services, especially when it comes to certain specific products which, due to one's life limitations, may or may not be completely needed.<sup>14</sup>

A few direct factors determine the financial and living possibilities of the family that make up the household, including:<sup>15</sup>

- income resulting from the level of remuneration,
- general financial situation of the family, resulting from income and financial burdens,
- level of education of individual family members,

as well as indirect factors occurring in the social and economic environment, such as:<sup>16</sup>

- the level of unemployment,
- the labor market.

In order to ensure the family's safety, members decide to take various actions, which are aimed at securing their unhampered existence. The search for income, paid work, seeking social satisfaction of needs, social acceptance, education, freedom of movement and settlement – all these are aimed at maintaining one's own and one's family's life at a certain level and at maintaining the ability to react to and defend oneself and one's family against various situations threatening this state.

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<sup>13</sup> Ibidem, p. 77.

<sup>14</sup> W. Patrzalek, *Kulturowe uwarunkowania zachowań konsumenckich i przebiegu procesów komunikacyjnych wewnątrz gospodarstwa domowego*, [in:] *Komunikacja rynkowa. Ewolucja, wyzwania, szanse*, B. Pilarczyk, Z. Waškowski (ed.), Poznań 2010, p. 170–171.

<sup>15</sup> A. Stańko, *Ekonomiczne uwarunkowania oraz tendencje zachowań konsumentów na rynku dóbr FMCG*, Warszawa 2006, p. 101–106.

<sup>16</sup> Ibidem.

**ANALYSIS OF DETERMINANTS AFFECTING THE FAMILY'S ECONOMIC SAFETY**  
Security, which is a very broad issue, can be analyzed on many levels of human activity. Changes in the family model also affect this kind of security.

It can be noticed that the feeling of economic security is influenced by two basic factors – the assessment of the current situation and its expected changes, with particular emphasis on the negative aspects.

While analyzing the areas of environmental impact on family safety, in order to receive a full picture of the family's economic security, it is necessary to extend the studied area to the economic and social dimension.

The evaluation of family economic security should be carried with regard to three determinants. In the presented approach to family economic security, the basic determinants will be:

- family poverty indicator (D-destimulant),
- income (S-stimulant),
- consumption (S-stimulant).

On the list of the most important factors, financial assets are still at the forefront, as they are necessary to guarantee the family's existence and protection in case of sudden random events (e.g. illness).

In case of poverty coefficient, the low level of which meaning a relatively high level of poverty, nevertheless, it becomes more important for poor families to secure the current level of life rather than to strive for its potential increase. In this case, the economic security of families is understood more as the level of financial stability and the ability to maintain the current level of consumption.

The next analyzed factors are the following:

- unemployment (D-destimulant),
- labor market (S-stimulant),
- housing resources (S-stimulant),
- capital expenditure (S-stimulant),
- labor migration (D-destimulant),
- culture and social activity (S-stimulant),
- education (S-stimulant).

The functioning of the family depends on many factors which, due to the nature of the impact, can be divided into external and internal ones, as well as economic and social ones. Internal changes are the changes in the family model – both in relation to the method of determining the relationship between spouses (partners) and the number of children – this is a consequence of social changes.

External changes are the impact of the surroundings of the family, both closer and further. External changes take place in the economic and social processes initiated by the state and affecting many areas of life. It is the size of the labor market, unemployment, housing resources and their availability as well as investment outlays and culture along with social activities.

For a sense of family security in an economic context, the following factors had been chosen:

TABLE 1. DETERMINANTS SHAPING THE LEVEL OF ECONOMIC SECURITY OF THE MODERN FAMILY, 2012–2017

	2012	2013	2014	2015	2016	2017
average gross remuneration (S)	0,122	0,188	0,24	0,298	0,355	0,45
average expenses per one person (S)	0,261	0,311	0,347	0,369	0,446	0,518
registered unemployment rate (D)	0,575	0,61	0,485	0,39	0,301	0,205
number of newly created jobs (S)	0,13	0,154	0,199	0,192	0,201	0,251
number of jobs terminated (D)	0,237	0,233	0,212	0,21	0,184	0,169
subjective assessment of the material situation (S)	no rec	0,052	0,344	0,392	0,551	0,651
capital expenditures in the public sector (S)	no rec	0,478	0,399	0,434	0,48	0,237
capital expenditures in the private sector (S)	no rec	0,233	0,268	0,321	0,399	0,387
apartments delivered for use per 1000 inhabitants (S)	0,346	0,34	0,332	0,358	0,414	0,486
number of university students per 10,000 inhabitants (S)	0,504	0,483	0,436	0,398	0,364	no rec
number of members of clubs, sections, community centers (S)	0,196	0,238	0,267	0,333	0,356	0,389
number of clubs, sections, clubs, community centers (S)	0,162	0,191	0,212	0,309	0,351	0,389
job migration, for permanent residence (D)	0,15	0,266	0,23	no rec.	0,086	0,143

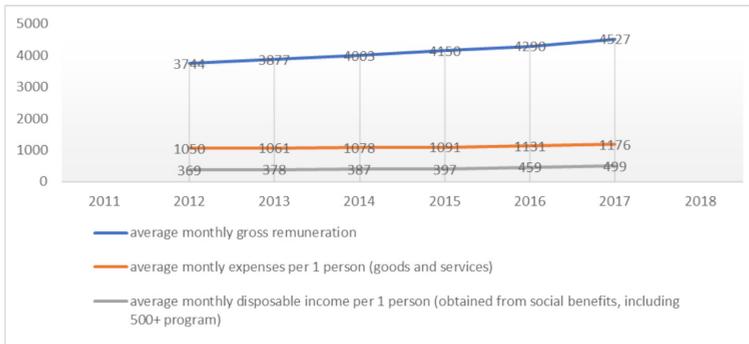
Source: own study.

If the development is evidenced by the high value of the characteristic of the studied phenomenon, this characteristic is considered as a stimulant (S) and vice versa, if the lower the value of the variable falls, the more the level of family economic safety increases, then this variable is a des-timulant (D).

The increase in the average monthly salary in the audited period resulted in an increase in the level of expenses per one person. This is related to the growing economy and government activities that support entrepreneurship.

From the point of view of the family, an average person is improving their financial situation by creating the opportunity for greater consumption but also by taking advantage of the opportunity to invest. The level of remuneration varies depending on the studied region of Poland. The lowest average salary, according to statistical data, is observed in the Warmińsko-Mazurskie province, the highest – in the Mazowieckie voivodship. However, one can see an overall strong upward trend in salaries and expenses per person, as presented in the chart below.

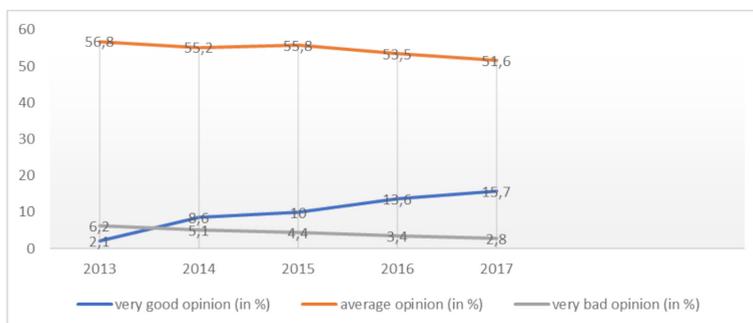
CHART 1. THE DYNAMICS OF CHANGES IN THE AVERAGE MONTHLY REMUNERATION TO THE AVERAGE MONTHLY EXPENSES PER ONE PERSON



Source: own study.

A significant increase in income from social benefits is related to the “500+” family support program introduced by the government in 2016. Support from government social programs additionally helps to create a positive environment for building a stable situation for families, in particular for large ones.

CHART 2. OPINION ON THE DYNAMICS OF CHANGES IN THE FINANCIAL SITUATION OF HOUSEHOLDS

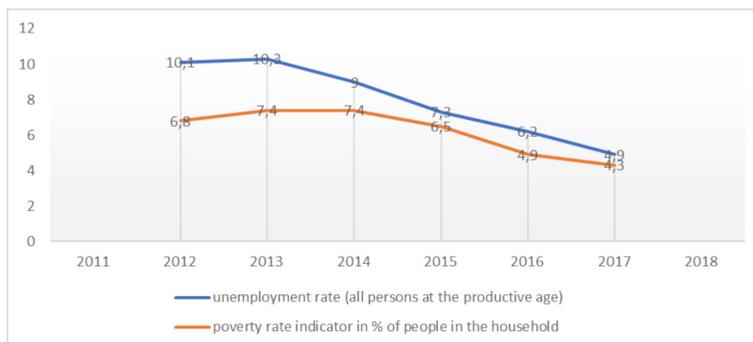


Source: own study.

The above chart shows how the material situation of households changed within the analyzed period. “Very good” opinion on the situation has seen over 13 per cent increase. What is more important, however, is the fact that the figure for households whose situation was assessed as “very bad”, after five years has seen a decrease by 50 per cent. This is a great rise in the perceived family economic security.

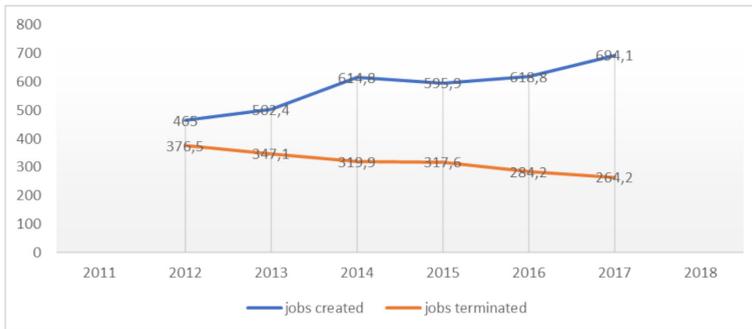
Analyzing the above changes, one can see, on the basis of the “average” assessment of households’ situation, that family security is not the pursuit of getting rich, but the maintenance of a state in which all existential needs, including financial and social needs, are satisfied to a sufficient degree.

CHART 3. DYNAMICS OF CHANGES IN THE UNEMPLOYMENT RATE AND THE HOUSEHOLD POVERTY RATE



Source: own study.

CHART 4. DYNAMICS OF CHANGES IN THE GROWTH OF NEW JOBS AND JOB DESTRUCTION

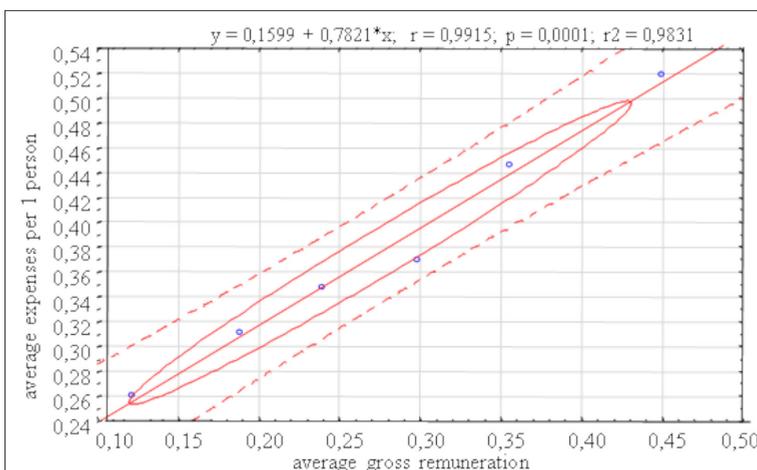


Source: own study.

The highest dynamics and the highest number of newly created jobs in the analyzed period are observed in Mazowieckie voivodship, in which also the smallest number of jobs was terminated. The least new jobs were created in the analyzed period in Opolskie and Lubuskie voivodships. We also observe an overall strong declining trend regarding job losses during the period considered.

CHART 5. DYNAMICS OF CHANGES IN AVERAGE EXPENSES PER 1 PERSON COMPARED TO AVERAGE GROSS REMUNERATION.

SCATTER PLOT OF THE SYNTHETIC MEASURE WITH THE FIT LINE

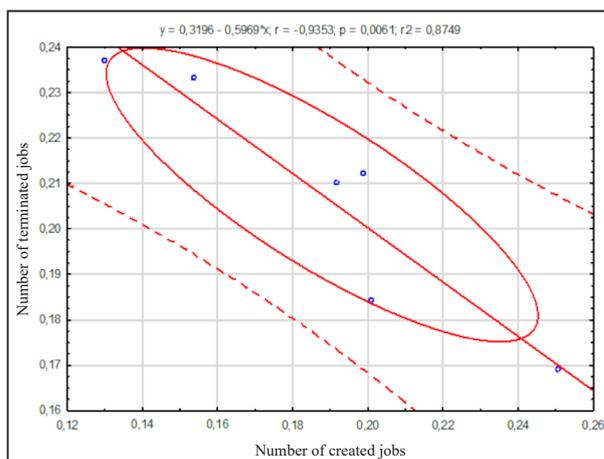


Source: own elaboration in the Statistica program.

The Pearson correlation coefficient in the analyzed time interval in relation to synthetic measures determined by selected methods in 2012–2017 was the following:  $r = 0.9915$  /  $r^2 = 0.9831$ . This proves that each of the analyzed measures of effectiveness of activity indicates a small spatial diversity (chart 5).

CHART 6. DYNAMICS OF CHANGES IN NEW JOBS COMPARED TO TERMINATED JOBS.

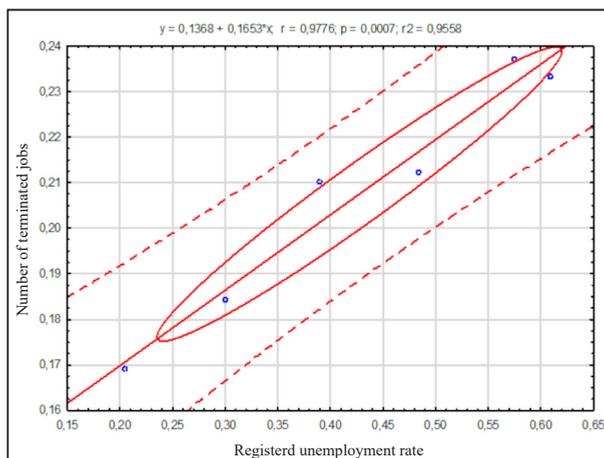
SCATTER PLOT OF THE SYNTHETIC MEASURE WITH THE FIT LINE.



Source: own elaboration in the Statistica program.

CHART 7. DYNAMICS OF CHANGES IN NEW JOBS TO COMPARED TO REGISTERED UNEMPLOYMENT RATE.

SCATTER PLOT OF THE SYNTHETIC MEASURE WITH THE FIT LINE.



Source: own elaboration in the Statistica program.

Pearson's correlation coefficient in the analyzed time interval (2012–2017) in the relation of synthetic measures determined by selected methods was used respectively for the relations of terminated jobs to newly created jobs:  $r = 0.9353 / r_2 = 0.8749$ ; and for the relations of terminated jobs to the level of unemployment rate:  $r = 0.9776 / r_2 = 0.9558$ . The graph indicates the bipolarity of the changes (chart 6).

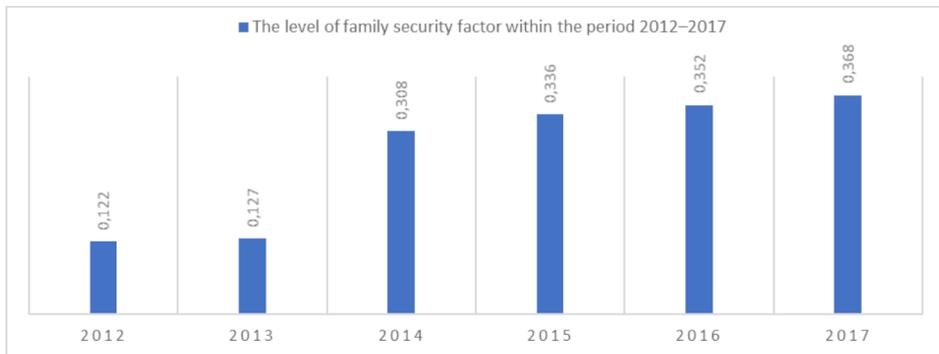
After determining and analyzing variables affecting the family's economic safety, the economic safety of the family in the analyzed period was determined. The analyzed determinants were set so that the normed values are in the numerical range [0; 1]. The closer the value of the feature to unity, the closer to the pattern.

TABLE 2. ECONOMIC SECURITY LEVEL OF THE FAMILY, 2012–2017

	2012	2013	2014	2015	2016	2017
economic family safety factor	0,122	0,127	0,308	0,336	0,352	0,368

Source: own study.

CHART 8. DYNAMICS OF CHANGES IN THE LEVEL OF FAMILY ECONOMIC SECURITY FACTOR WITHIN THE PERIOD 2012–2017



Source: own study.

### CONCLUSION

In the context of the analysis carried out, taking into account the security criterion, two types of security can be distinguished: economic and social security. Both these spheres are closely related and interdependent. A state

that is politically and economically stable is capable of meeting the basic needs of its citizens to a greater extent, by providing access to education, or by the development of infrastructure, all of which translate into the level of family security.

What level of the calculated ratio of family economic security should be considered optimal? The high value of this coefficient certainly means an increase in the standard of living and safety in all areas studied. However, the question arises, what level will ensure survival, what level will mean peaceful balance and what level can be associated with decent life?

The considerations of economists prove that it is difficult to define such limits because of the diversity of human needs. Every person may have their own hierarchy of factors affecting their safety.

Comparing all the above-mentioned factors, it should be stated that the family must constantly undertake various activities in order to reduce or eliminate threats that may constitute an obstacle to achieving stable development. The analyzed determinants occurring in the family's socio-economic environment may be a potential threat, or may be conducive to the occurrence thereof.

In the analyzed period, one perceives a slow, stable growth of the analyzed phenomena. One sees a stable increase in the family safety factor in the period under consideration. It is stable, positively interacting economic and social conditions that create opportunities for the development of the state and the well-being of its citizens.

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