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IMPACT OF COVID-19 ON HOUSEHOLD FINANCIAL MANAGEMENT IN THIRUVANANTHAPURAM DISTRICT

Micheal Solomon L

Dr. Arun Lawrence

Research Scholar,

Assistant professor,

PG & Research, Department of Commerce,

PG & Research, Department of Commerce,

Mar Ivanios College (Autonomous),

Mar Ivanios College (Autonomous),

Thiruvananthapuram (Kerala)

Thiruvananthapuram (Kerala)

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Abstract:

The impact of the COVID-19 pandemic-induced lockdown on household financial resources, survival methods, and planned coping measures is the focus of this paper. It used the survey research approach, with 100 questionnaires distributed online and by hand to respondents in the Thiruvananthapuram District. The study analysed households' assessments of their survival strategies, government help, and the effectiveness of following government commands using frequency and percentages. The questionnaire was created to gather relevant information on how the district's households dealt with the COVID-19-induced lockdown. The lockdown put a lot of strain on people's personal income and resources because most households didn't have any contingency resources to deal with such catastrophes. Household ratings of government assistance were also found to be quite low, resulting in only half compliance with the stay-at-home directive. Finally, it was discovered that taking a salary advance was the most desired coping technique, followed by returning to work and borrowing. Households should develop a contingency savings habit, and the government should limit inflation rates, according to the report, as crucial steps toward normalcy. For good healthcare delivery, the government must emphasise the health sector in financial allocation. The report also suggests that households develop a contingency savings habit and that the government promote social inclusion, as well as providing bailouts to individuals, businesses, and industries to help the economy grow.

Keywords: coping strategies, households, COVID-19, pandemic

Introduction:

Health and mobility are linked to active participation in social and economic activities, a wealthy country is one with healthy people. COVID-19, a pandemic that first erupted in Wuhan, China in October of this year, is rapidly sweeping the globe (Nicks & Do, 2020). To manage the infection, all countries have used wide-ranging policy instruments like social isolation, lockdown, suspension of air travel, and border closure (Thunström, Newbold, Finnoff, Ashworth, & Shogren, 2020). The economic repercussions of such policies, on the other hand, are disastrous. The consequences of the impending downturn are projected to be worse than those of the 1930s' "Great

Depression." Because of the fall in exports, remittances, and worldwide finance, the situation is significantly worse for a developing country like India (Hevia&Neumeyer, 2020). While the loss of life caused by the COVID-19 pandemic is tragic, the virus's tremendous financial consequences are equally so.

With the Indian economy abruptly shut down owing to the COVID-19 epidemic, many households are in desperate need of finances to fulfill the unanticipated demands produced by the shutdown, particularly to acquire the vital commodities required for survival. For the study, the researcher has taken the Thiruvananthapuram district of the Kerala State as the sample frame for collecting the relevant data.

After the introduction, the study is further classified into the Methodology, Analysis, findings, and then the conclusion

Objectives:

- To understand the coping strategy methods of the households.
- To know the sufficiency of income of the households.
- To examine the Government's intervention impact on the households.

Methodology:

The data collected from the respondents is presented using charts and tables in this study, which is based on a descriptive analysis. A questionnaire was utilized to collect data on socioeconomic factors, household status, and the impact of COVID-19-induced lockdown on respondents' financial competence, particularly regarding household contingency savings habits. The population of the study consisted of the people of the Thiruvananthapuram District of the age range 18-46 years. To identify individuals in the study area, the researchers used a convenient sampling procedure. It analyzed households' perceptions of survival methods, government help, and the effectiveness of following government commands using frequency and percentage.

Data Analysis:

Table 1

Feeding and Coping Strategies

Variables	Frequency (N=100)	Percentage (%)	Cumulative Frequency
Were you able to stock the foodstuff before the lockdown			
[1] Yes	69	69	0
[2] No	31	31	100

If No, what were the coping strategies?			
[1] Supplies from friends and families	5	16.13	0
[2] Supplies from Federal Government and State Government through LGA	0	0	5
[3] Supplies from employers	10	32.25	15
[4] Supplies from neighbors	15	48.39	30
[5] Supplies from lawmakers	0	0	30
[6] No support from anywhere	1	3.33	31
Is there an adequate supply of electricity to preserve your perishables?			
[1] Yes, very adequate	100	100	0
[2] No, too epileptic	0	0	100

Source: Primary Data

Table 1 depicts the feeding and coping strategies of the respondents in the study during the lockdown. As it is evident in the table, none of the respondents received any help from the government, and lawmakers during the initial stages of the lockdown when they did not have any other means of food. Infact, a 3.33% of respondents cleared that they did not receive support from anywhere, while 69% of the respondents said were able to manage to stockpile food stuff earlier before the lockdown was implemented. However, 16.13% received help from friends and families and another 48.39% received some essentials from the neighbors. Approximately 31% said that they were not able to stockpile foodstuff before the lockdown announcement. As far as adequate electricity supply to preserve the perishable items is concerned, the findings showed that all of them had proper electricity to put them safe.

Table 2
Strain on Income and Coping Strategy

Variables	Frequency (N=100)	Percentage (%)	Cumulative Frequency
Is there a strain on your income and savings as the lockdown continues?			
[1] So much strain on income	74	74	0
[2] Just a little strain on income	20	20	90
[3] Not really	6	6	100
What coping strategies will you employ in case the lockdown is extended?			

[1] Borrow from friend/family	12	12	0
[2] Take salary advance	45	45	57
[3] Go back to work	20	20	77
[4] Sell assets to raise fund	6	6	83
[5] Take bank loan	2	2	85
[6] Cope with my income/saving	15	15	100

Source: Primary Data

Table 2 showcases the percentage of data regarding the strain on income and their coping strategies. Seventy Four people (74%) said that they had so much strain on their income, while forty-five (45%) said that they were insisted to take their salary in advance to meet with the lockdown. Twenty respondents (20%) said that they have a little strain on their income, while twenty (20%) said that they would like to go back to their work in order to cope with the strain that they have on the income during the lockdown. However, six respondents (6%) said that they could not really assume how they would be able to cope themselves with the lockdown. Another fifteen respondents (15%) were of the opinion that they would cope up the lockdown with the help of their savings.

Table 3
Savings and coping financially

Variables	Frequency (N=100)	Percentage (%)	Cumulative Frequency
Do you have savings for emergency in this nature?			
a)Yes	24	24	0
b)No	76	76	100
If the lockdown is extended, are you sure your household can still cope financially?			
a) Cope Very Well	14	14	0
b) May not be able to cope very well	26	26	40
c) May be relatively good	28	28	68
d) May be worse off	24	24	92
e) Not Applicable	8	8	100

Source: Primary Data

Table 3 showcases the results of the respondents concerning their contingency savings during an emergency of this nature. The respondents were enquired if they their households would still be able to cope up financially if the lockdown was extended. Twenty-four of the respondents (24%) answered clearly that they were having contingency savings. Fourteen respondents (14%) said

that they would be able to cope up well if the lockdown was extended, while twenty-six respondents (26%) stated that they would not be able to cope up well. Similarly, seventy-six (76%) respondents responded negatively when they were asked if they had sufficient contingency savings during an emergency of this nature. Other respondents answered that they would be relatively good (28%), maybe worse off (24%), and not applicable (8%) when asked if they could still cope if the lockdown was extended.

Table 4
Overall Rating of Government’s Palliative Measures

Variables	Frequency N=100	Percentage	Cumulative Frequency
Overall, rate the government’s palliative measures on the scale of 1-5 rate (5 is the highest)			
Very Poor	13	13	0
Poor	6	6	19
Good	54	54	73
Very Good	17	17	90
Excellent	10	10	100

Source: Primary Data

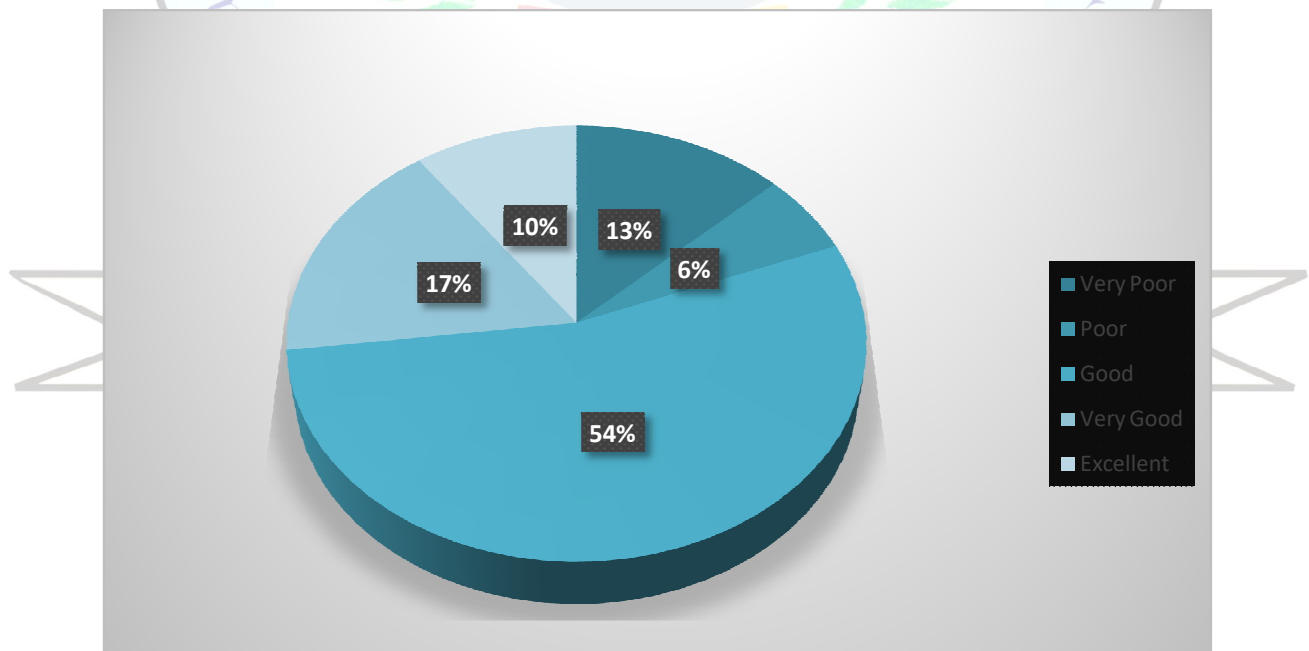


Figure 1: Overall Rating of Government’s Palliative Measures

Table 4 pictures the ratings of the Government policies by the respondents. Thirteen respondents (13%) rated the government's intervention as 'verypoor', while six respondents rated it as 'poor' (6%). At the same time, 54 respondents (54%) and 17 respondents (17%) rated the government's mitigation efforts as 'good' and 'fair', respectively. Ten (10%) of the total respondent's rated the government's palliative measures as 'excellent'

Findings:

- The data suggest that most households do not have emergency savings to deal with such situations; as a result, the lockdown has put pressure on their personal finances and resources.
- According to the findings, more than half of the households continue to rate government assistance as good, resulting in partial compliance with the stay-at-home directive.
- Finally, the study shows that salary advance is the preferred coping method, followed by returning to work, because households may not be able to manage otherwise.

Conclusion:

From the standpoint of households, this study looked at financial coping techniques during the COVID-19 pandemic-induced lockdown. It used the survey technique of research, in which respondents were given questionnaires online and in person across Thiruvananthapuram. Hundred questionnaires were collected and were analyzed. The questionnaire was designed to gather relevant information regarding how the households coped up with the COVID-19 pandemic induced lockdown in Thiruvananthapuram. The respondents' socio-demographic variables are considered in Section 1 of the questionnaire. The essential information about the homes is collected in Section 2. The COVID-19 pandemic-induced lockdown is examined in Section 3. The COVID-19 pandemic-induced budget restrictions and the overall evaluation of the government's palliative actions are the emphasis of sections 4 and 5, respectively.

The major findings of the study were that most of the respondents did not have adequate financial resources to cope up with the pandemic and returning to the job and taking advanced salary were the means for them to further fight their livelihood with the pandemic. But majority of them were satisfied with the Government Intervention on the pandemic.

The report advises households to develop a contingency savings habit and the government to keep inflation under control, both of which are critical steps toward returning to normalcy.

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