

Socio Economic Impact of Covid-19 on Household

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Abstract

The coronavirus swept around the globe in a matter of days to months. Despite the fact that India is not one of the coronavirus's worst-affected countries, it is still a severe public health issue that poses a serious threat to the country's economy. Despite the fact that India's government has imposed complete lockdown, there are numerous economic challenges that must be addressed. Even if a relief fund has been established, the country's vast population could benefit from further financial assistance to meet basic requirements such as groceries, provisions and medicines. Many citizens' livelihoods, work and income are in threat. Savings has significantly affected. This article tries to put the coronavirus outbreak in India within a socioeconomic context. The analysis data was done by IBM SPSS 22.0, using ANOVA test.

Keywords : ANOVA test, Consumption, Expenditures, Household, Income, Savings.

I. Introduction

The global economic impact of the COVID-19 outbreak has been enormous. Since the beginning of 2020, a new strain of coronavirus known as Novel Coronavirus Pneumonia (NCP) or COVID-19 has been wreaking havoc on the global economy. COVID-19 has an impact on worldwide socioeconomic conditions, notably in poor countries and poverty-stricken areas.

Imran Ur Rahman et al. (2021) analyzed the economic effects of COVID-19 on households based on socioeconomic level variations. The pandemic is wreaking havoc on the poorest families and people of the lowest socioeconomic standing. There appears to be a differential in the impacts of COVID-19 at the household level due to differences in socio-economic characteristics. As a result, it's critical to look into the effects of external economic shocks on different households, as well as their reactions to them. Household spending and savings loss were described by Amory Martin et al (2020).

The document's outline follows a general pattern. The paper then moves on to the objectives after a brief introduction. Following that, methodology conducted, study's main findings are presented, followed by a discussion. Finally, the article comes to a conclusion.

II. Objectives

- To study the direct impact of household income, consumption and poverty.
- To assess the socio-economic impact of COVID-19 on individuals.
- To find the levels of expenses and savings, as affected during COVID 19.
- To investigate the stress levels and coping techniques connected with COVID-19.

III. Methodology

3.1 Data Collection

The study is entirely based on primary data. Data is gathered using an online questionnaire. A total of 376 people responded to the survey. The information gathered from the participants were evaluated and interpreted. Changes in income, employment, expenses and working hours were analyzed. Household characteristics, such as the size of family, gender, number of employed, number of school going, education level, urban vs. rural domicile and income, including kinds of income were discussed. The data gathered is displayed on an excel page. The data was analyzed by IBM SPSS 22.0 using the ANOVA test. The respondents are depicted in the diagram below.

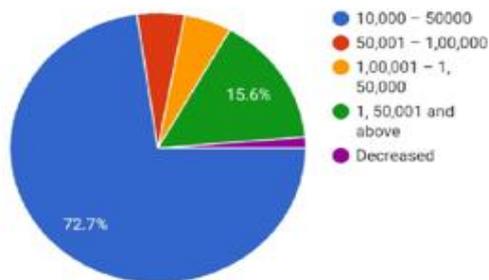
Area	Age	Gender	Marital Status	Occupation	Income of the Household	Income of the House	Monthly Expenditu	How did you manage the ex
Rural	43	Female	Married	Private	50,001 – 1,00,000	10,000 – 50000	15,001-20,000	Borrowed from Friends/Rela
Urban	20	Female	Single	Agriculture	10,000 – 50000	10,000 – 50000	1000 - 5000	Borrowed from Friends/Rela
Rural	20	Female	Single	Government	50,001 – 1,00,000	50,001 – 1,00,000	1000 - 5000	Bank Loan
Urban	20	Female	Single	Government	10,000 – 50000	10,000 – 50000	1000 - 5000	Pledge the Jewel
Rural	21	Female	Single	Agriculture	10,000 – 50000	10,000 – 50000	5001-10000	Borrowed from Friends/Rela
Rural	20	Female	Single	Agriculture	10,000 – 50000	10,000 – 50000	1000 - 5000	Borrowed from Friends/Rela
Urban	19	Female	Single	Private	10,000 – 50000	10,000 – 50000	1000 - 5000	Borrowed from Friends/Rela
Rural	32	Female	Married	Private	10,000 – 50000	10,000 – 50000	5001-10000	Pledge the Jewel, PF/Insura
Rural	20	Female	Single	Government	50,001 – 1,00,000	50,001 – 1,00,000	1000 - 5000	Bank Loan
Urban	20	Female	Single	Private	10,000 – 50000	10,000 – 50000	1000 - 5000	Money Lenders
Urban	20	Female	Single	Private	10,000 – 50000	10,000 – 50000	1000 - 5000	Money Lenders
Urban	20	Female	Single	Private	10,000 – 50000	10,000 – 50000	1000 - 5000	Money Lenders
Rural	19	Female	Single	Private	10,000 – 50000	10,000 – 50000	1000 - 5000	Money Lenders
Rural	32	Female	Married	Private	10,000 – 50000	10,000 – 50000	10001 - 15,000	Bank Loan, Pledge the Jew
Urban	21	Female	Single	Private	50,001 – 1,00,000	10,000 – 50000	5001-10000	Borrowed from Friends/Rela
Urban	20	Female	Single	Private	10,000 – 50000	10,000 – 50000	1000 - 5000	Money Lenders
Urban	19	Female	Single	Business	50,001 – 1,00,000	10,000 – 50000	1000 - 5000	Pledge the Jewel
Urban	19	Female	Single	Business	1,00,001 – 1, 50,000	50,001 – 1,00,000	1000 - 5000	Pledge the Jewel
Rural	19	Female	Single	IT/ITES	10,000 – 50000	10,000 – 50000	1000 - 5000	Money Lenders

IV. Findings

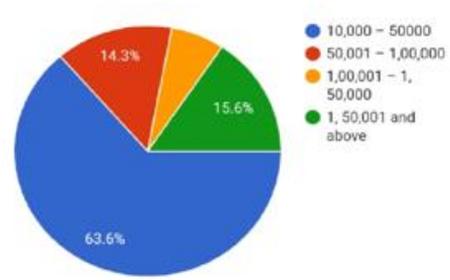
The vast majority of respondents live in rural areas. The majority of people who responded work for Private. The number of employed people in a family ranges from one to two. The majority of respondents save money on a regular basis. During

a pandemic, household income is reduced and monthly expenditures are increased. To pay their debts, they borrowed money from friends and relatives. From a psychological aspect, the bulk of them were hopeless. The findings are depicted in the graphs below.

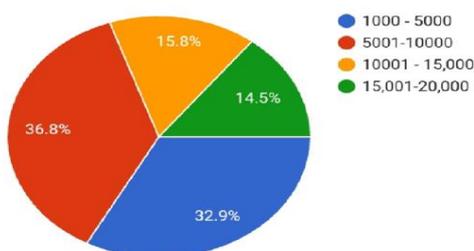
Income of the Household (Per month) before pandemic



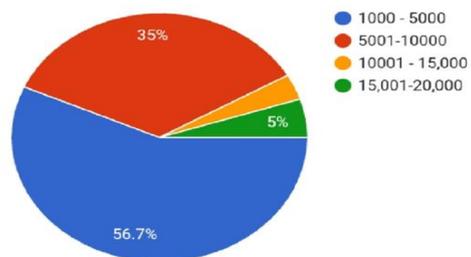
Income of the Household (Per month) during pandemic



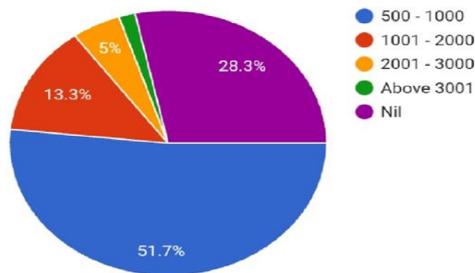
Monthly Expenditure of household before COVID 19



Monthly Expenditure of household during COVID 19



How much do you save per month?



How did you manage the expenses including Medical?

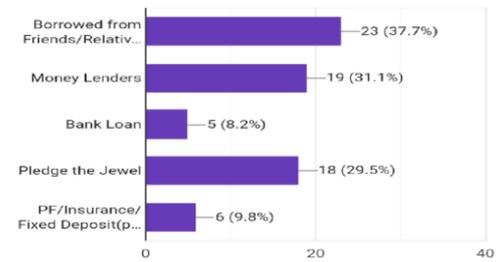


Table 1 depicts the influence of age on expenditure and saving.
Table 2 examines the influence of income on expenditure and saving.

Table 1 : Influence of age on Expenditure and Savings

Factors	Age	N	Mean	S.D	Z	Sig
Expenditure	Upto 25	123	35.98	6.37	2.044	0.107
	26-40	140	33.66	7.61		
	41-55	96	33.98	6.81		
	Above 56	17	33.03	6.93		
Savings	Upto 25	123	28.73	8.53	2.278	0.079
	26-40	140	30.92	7.87		
	41-55	96	29.72	8.38		
	Above 56	17	27.47	10.66		

Table 2 : Influence of Income on Expenditure and Savings

Factors	Income	N	Mean	S.D	Z	Sig
Expenditure	10000-50000	239	28.63	7.36	0.895	0.444
	50001-100000	53	29.07	8.29		
	100001-150000	26	28.75	7.51		
	Above 150000	58	26.53	9.85		
Savings	10000-50000	239	19.80	5.16	4.723	0.03*
	50001-100000	53	19.30	4.38		
	100001-150000	26	19.09	4.89		
	Above 150000	58	16.07	4.40		

H1: Age of the respondents influence the expenses and savings.

H2: Income of the respondents influence expenses and savings.

Table 1 shows that the respondent's age has no influence on their spending and saving habits. The hypothesis is accepted if the significance level

is greater than 0.05. Table 2 shows that while income has no influence on spending, it does have an impact on saving. The hypothesis is rejected if the significance level is less than 0.05.

4.1 Coping Techniques for Financial Difficulties

Emre Umucu et al.(2021), investigated perceived stress levels and coping techniques in people with self-reported chronic diseases and disabilities, as well as whether coping is linked to well-being. Households in our sample used a variety of coping mechanisms to deal with financial difficulties. Reduced consumption and expenditure, drawing down cash and savings, and borrowing from friends and relatives were the three most common coping techniques used by those households. Households postponed payments and debt repayment in order to apply for social and government assistance. Some families coped by preparing and selling homemade dishes on the internet.

4.2 Poor Savings

The COVID-19 pandemic has wreaked havoc on everyone, especially middle-class households, with funds plummeting as a result of job losses, income cuts, and payment delays. While most households' earnings are lower this year than last, the true storey, according to the report, is the elimination of future uncertainty.

V. Discussion

Since, Coronavirus disease 2019 is a novel disease, investigations are needed to track the trend on a regular basis. According to the study, the pandemic has intensified informality and caused a considerable loss in income for the majority of workers, resulting in an increase in poverty. Women and younger workers have been disproportionately affected. Households have responded by reducing their food intake, taking out loans and selling valuables. The COVID-19 pandemic has contributed in averting the worst sorts of suffering, but chronic conditions, particularly among the poor, rural and private employees, have had difficulty getting treatment and have been adversely socially and financially impacted by the epidemic.

For the duration of financial viability, the source of revenue is also important. Private, Government, IT/ITES, Agricultural production, Business and other sources of income tend to have

a longer financial viability period. Consequently, despite the fact that households with income from agricultural output and household business/self-employment are more likely to experience a drop in income, these households are more likely to be financially viable than other households.

The study has a number of intriguing findings. To begin with, most households saw major drops in income and employment. Nearly three-quarters of households saw their income fall (mainly by 26 percent to 50 percent compared to the baseline period). All sources of income decreased, especially household enterprise/self-employment income decreased the most.

Second, roughly half of the households had financial problems. Almost all financially distressed households had to cut back on their spending, around half of them drew down cash and savings, and approximately a third did the following: borrowed money from family or friends; (ii) postponed payments and debt repayment; and (iii) applied for government assistance. Furthermore, the proportion of households in our sample that could only subsist without income for less than a month is relatively significant, accounting for almost 70% of all households. In addition to household variables such as household education, age and gender, COVID-19 generated factors have a significant impact on the likelihood of experiencing financial difficulties and the duration of financial viability.

Monika et al(2020) argued that government support to the most vulnerable is a key strategy that could save countless lives. The causes were explained by Peter J. Morgan and Long Q. Trinh (2021). Due of the pandemic, the majority of the youngsters were unable to attend school. During the COVID-19 epidemic, the majority of respondents claimed their household savings decreased. Expenses have increased.

VI. Conclusion

Aid to those in need from the government is an essential measure that can save countless lives. Every crisis, on the other hand, provides once-in-a-lifetime opportunity to reconsider the path adopted for the growth of a human being, a community and

a society. Savings power is at the heart of economic growth, allowing capital goods to be produced. The economy will suffer as a result of poor savings. Savings are important not only for individuals, but also for the economy as a whole, because they offer capital for investment. Saving and spending are not only essential elements driving economic development and growth, but they are also key nodes of individual consuming behaviors. The amount of savings available for investing in funds determines the size of a country's economic investment. According to the findings, earnings has an impact on saving but not on expenditure. Expenses have increased as a result of the pandemic, and respondents have to find additional ways to meet the rising costs. The COVID-19 pandemic sends a clear message to India's economy: it needs to adopt sustainable development methods that are self-reliant, inclusive and environmentally benign.

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