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Covid -19 and its Impact on the Financial Status of Individuals with Special Reference to Bhopal

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Abstract

The literature on impact of covid-19 on financial status of individual is still somewhere unfilled so the study put efforts with few attempts to synchronize the findings of present studies. The study aims to compile the contributions connected with the financial conditions of the individuals. In this study papers that are related with the financial and economic status of the individual and economy are accessed to classify the parameters i.e., spending behavior, responsibilities, job status, education level are affected by the pandemic and may continue to be affected in future. Further the findings of the study are used to develop the directions for future studies. Furthermore, this study provides the base to identify the factors related to the financial status of the individual and also provide some suggestions to improve the financial status of the individual affected by the pandemic.

Key words *- Financial status, Job status, Spending behavior, Education level, Responsibilities*

Introduction

As we all know that India is among the one of the largest economies of the world. It is the fastest growing economy in the world. Despite facing many challenges it is found that India scored seventh position in terms of the largest economy and third position in terms of purchasing power parity. But due to covid-19 pandemic India has suffered a lot not in terms of economy but also lost lots of lives which adversely affected the financial status of the individuals.

The pandemic changed the lives of individuals in each and every aspect as some lost their jobs due to which their life style has changed. So, this study focuses to examine the impact of covid-19 on financial status of individuals with special reference to Bhopal. It also focuses to find out the measures that can help the individuals to become financially stable.

Literature Review

1. Ömer Açikgöz , Asli Günay (April-2020) "*The early impact of the Covid-19 pandemic on the global and Turkish economy*" Turk J Med SCI 2020 Apr 21; 50(SI-1):520-526. doi: 10.3906/sag-2004-6.

The study is based on the early impact of covid-19 pandemic and especially Turkish economy. It focused on summarizing the recent report about the economic conditions due to the pandemic and tried to find out some results out of them. It was found that customers, supply chains and financial markets have negative impact which led to the global economic recession.

2. S. Mahendra, Dev, Rajeswari Sengupta (April 2020*): "Impact of Covid-19 on the Indian Economy: An Interim Assessment"* JEL Code: E2, E5, E6, G2

This particular study focuses on the Indian economy as many sectors of the Indian economy have adversely affected by pandemic. The informal sector which was already struggling has been affected, the banking sector and corporate sector experienced high level of nonperforming assets and domestic violence against women also increased.

3. Byomakesh Debata, Pooja Patnaik, Abhisek Mishra (September 2020): "*COVID-19 pandemic! Its impact on people, economy, and environment*" 02 September 2020 https://doi.org/10.1002/pa.2372 Citations: 8

The paper took into consideration the following factors i.e. knowledge on corona virus disease, policy responses on it, impact on the people, economic activities and environment of India. It was focused that the pandemic has shrunk the economy as export declined by 34.6% and import by 28.7%. Pandemic also affected environment as use of plastic decreased but it has certain positive impact also i.e. quality of river water improved.

Objectives

- To identify the changes in job status of individuals during pandemic.
- To identify the changes in monthly income of individuals.
- To examine the increase or decrease in the responsibilities during pandemic.
- To analyze the change in the buying behavior of individuals.

Methodology

The descriptive study using structured questionnaire through Google form was conducted to know the effect of pandemic on the financial status of individuals with special reference to Bhopal. Participants were recruited by random sampling technique.

Initially a core group of 10 members were selected including different classes that are business class, private sector, and niche group and government sector. Furthermore, the study was extended to other respondents also to collect the information on different parameters that are responsibilities, spending behavior, job status, education level and data was collected from 106 respondents. The core group was selected to contemplate the heterogeneity/ diversity of research study, for example age, gender, educational level and occupation throughout the city.

A structured questionnaire was prepared based on validated tools and piloted on business class, private sector, and niche and government sector before data collection.

Measurements

1. Which sector do you work in?

The chart shows the different sectors in which the respondents were engaged. Out of the 106 respondents 50.9% work in private sector, 10.6% engaged in government sector, 25% are self-employed and 13.5% are employed in niche.

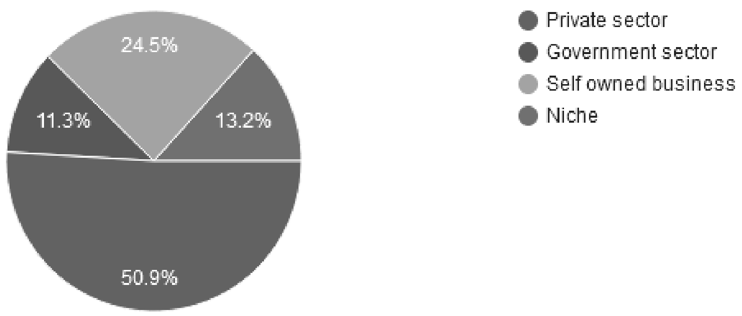

Figure 1

2. **Has there been any change in your income during pandemic?**

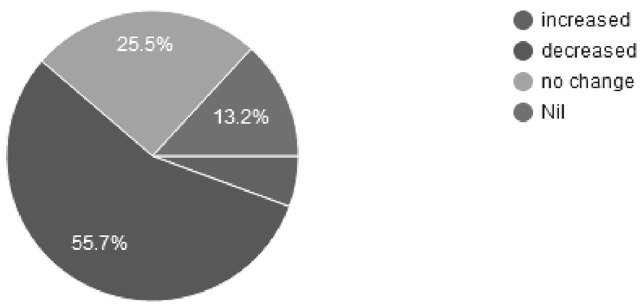

Figure 2

This chart shows the change in income of the respondents during pandemic. It was analyzed that 55.7% of the respondent's income decreased during pandemic, 25.7% experienced no change in their income, 13.3% respondent's income became nil.

3. Did your responsibilities change during pandemic? If yes, then how much?

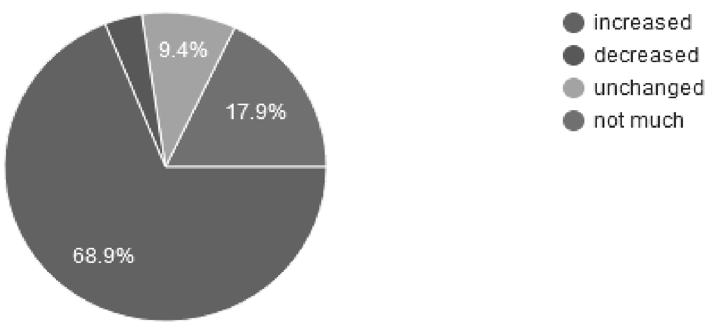

Figure 3

This particular chart is related with the change responsibilities during pandemic. It was found that 68.9% voted towards increase in their responsibilities, 17.9% voted for "not much" change in their responsibilities.

4. Did pandemic influence your buying behavior?

This chart depicts the change in buying behavior of the respondents due to pandemic. 62.3% voted for "yes" means their buying behavior changed 15.1% experienced no influence in their buying behavior as many preferred to buy only essential products.

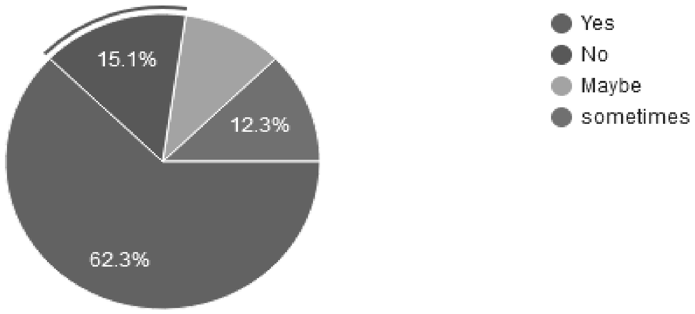

Figure 4

Findings and Results

- The study included 13.2% of the respondents between age group of 21years to 23 years of age, 9.4% between age group of 25- 27 years.
- Out of 106 responses, 56.6% does not lose their job but 30.2% lost their employment 75% were not stable toward their job.
- Most of the respondents i.e., 80.2% focused only to buy essential products during or post pandemic time, only 9.4% preferred to buy convenient product.
- More than 50% of the respondent's surrounding situation affected the way of spending as some of them stopped going out due to fear of virus.
- 43.4% respondents responded towards the "not much" change in their purchasing power and 24.5% responded towards the "much" change in purchasing power.
- 17.2% respondents were "fired" from their job, 30.2% experienced "no effect" on their income, 26.4% have to work at the "reduced working hours", and some have to work "overtime".
- 36.8% respondents focused on "maintaining their health, hygiene and fitness", 21.7% have "different sources of income", 19.8% have "to take responsibilities".
- Many responded towards the use of saving in order to manage their financial status due to change in their job status during pandemic, many reduced their unnecessary expenses.
- When the job status of the respondents changed during pandemic, 26.4% responded towards "responsibilities increased", 16% opted for "expenses increased" 31.1% voted for "stress increased" and 26.4% for "no change".
- In case of the priorities during the pandemic, 63.2% voted for "yes" means their priorities changed and 9.4% opted "no".
- When the respondents were asked about their responsibilities in future many of the answered about maintaining hygiene, taking care of the family's health, increase saving, and should have multiple sources of income.

- 49.1% respondents choose "deterioration "in their or their children's education level, 36.8% thought "nothing" about their education, 10.5% experienced improvement in the education status.
- When the respondents were asked about their career in future during pandemic many answered about struggling, less explored, would be focused towards government job.
- Most of the respondent appreciated maintaining health and hygiene, spending quality time with family, became creative, less polluted environment, digitalization etc.

Suggestions

- Many suggested to improved Skills and be creative.
- More savings and less spending on unnecessary items is also the best option to deal in pandemic.
- Developing the ability to work in different situations
- Government should promote some SHGs so as to help the weaker section of the society during such pandemic.
- Make a budget, manage your finances, spend in insurance, don't stress and have different ways of investing.
- By providing them little help from others or giving them some work
- Revive intense Demand side glitch
- People should focus on work more, invest more, shop less and cheap products.
- Improve your skills and grab the opportunity
- Have a medical insurance and choose best substitute
- Should start in investing to improve the skills in digital marketing
- Should be a conscious consumer so as to take right decision to reduce unnecessary expenses.
- Spend money where it is needed and try to start different source of income.
- Keep Saving/Investing your Surplus funds/Part of your income in a systematic manner to deal with such financial problems.
- Government should provide general awareness regarding different types of diseases so as to deal with such pandemics properly.

Conclusion

As this pandemic has deeply affected the financial status of the economy and individual every person need to be aware of the surrounding, have multiple sources of income, maintain health and hygiene, try to invest and grab the opportunities so as to tackle such types of problem efficiently.

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