**CHAPTER I**

**INTRODUCTION**

**1.1 INTRODUCTION**

Covid-19 has impacted the whole world and even it has a huge effect on the savings of people. It has even affected our spending habits, now people first think- how, when and where to spend. In the initial years, saving is little difficult as we have just started to earn money and we want to buy each and everything that we like. Covid-19 has taught us to save more and spend less. Nowadays, people are not spending more due to lockdown. They are not shopping, not spending on leisure, not travelling and neither they eating outside food. We always say future is uncertain and Covid-19 is the most uncertain situation. Now our lifestyle has changed and also the spending habits. People are getting pay cuts, losing jobs, etc. So now, people are spending only on necessities like grocery, vegetables, etc., rent, education, insurance, EMIs, etc. There is change in the behaviour of Indian consumers now there is no impulse buying and discretionary expenses have reduced. The situation has made us realised that financial planning is very important. One must create an emergency fund which should be at least 6 months of the expenses. One should start investing in liquid instruments or recurring deposits or SIPs because as of now, it is essential to hold cash. By investing in liquid assets, one gets a minimum return as idle cash earns no return. One should increase the savings with the increase in income. The pandemic has caused tremendous ramifications on common Indian lives and on their savings and investment pattern. All the markets and malls are opening but we have to be cautious on where to spend. Let’s hope that the saving habit of young people may continue even after this pandemic is over. It is in this backdrop; the present study has been undertaken.

The ongoing COVID 19 pandemic the government imposing lockdown to the whole population by banning all non-essential travel and contact with people outside one’s home on 23march 2020.Globally, the lockdown has caused households to change their typical consumption behaviour drastically across a variety of major categories, resulting in initial sharp increase in spending, especially in essentials and food items. Most of the rural households are depend on income for their daily consumption. During the covid 19 pandemic, arrival of lock down the households or individuals will get decreased amount of income, so the consumption also decreases. Households in the middle-income groups are disproportionately more, because they are more stressed than urban households consist of one or more persons who live in the economy. The economic resources are land, Labour, capital and entrepreneur ability. Household is the main factor in the circular flow of income in the economy.

COVID 19 disease has originated first in China in December 2019. COVID 19 rapidly evolved into a pandemic by late February 2020. It has seriously affected 210 countries and regions around the world and overall mortality rate of COVID 19 is averagely 14 % in the world according to the international report about corona virus disease. The World Health Organisation (WHO) declared it as a public health emergency of international discomposure on January 30, 2020 and called for collaborative and supportive efforts of all countries to prevent the rapid spread of COVID 19, in response to this serious situation all over the world. Consequently, on March 11, 2020 WHO has declared that COVID 19 is a pandemic. The first case of COVID 19 was confirmed on March 10, 2020 in Nigeria. With a continuous increment in numbers, all tertiary educational institutions were closed with an order of the Ministry of Education by March 20, 2020. Generally, fever, dry cough, and malaise are its symptoms. Against COVID 19 pandemic, the WHO recommended some priory precautions include using alcohol- based sanitizers, N95 face mask and strict quarantine of patients and contacts. The epidemic outbreak and lockdown increase the psychological stress on people. The constantly spread of the decease, the official hard isolation applications and closings of school is expected to affect the mental health of the people.

**1.2 SIGNIFICANCE OF THE STUDY**

The study will reveal changes in consumption patterns of families in Kannur before and during COVID-19. This can highlight essential goods, discretionary spending areas, and how these shifted due to the pandemic. It can also analyze how savings patterns changed, indicating how people adjusted to financial uncertainties.

**1.3 STATEMENT OF THE PROBLEM**

Covid- 19 has affected crores of people worldwide. Apart from its effects on the physical health of the people, it has also hit the economy. It has affected the pockets of almost every stratum of the society leaving thousands jobless and without a steady source of income. As India took an aggressive stance to slow the spread of Covid 19, the economic activity came to a standstill and has brought it to its knees. With reduced mobility, and disrupted supply chain management, businesses across all sectors have had to scale down their operations, lay off employees or reduce salaries. The muted economic activity and ceasing of multiple businesses has forced us all to rethink the role of saving and investment in our everyday lives. Many families and individuals have had to dive in to their meagre savings to sail through this storm of Covid 19. Nationwide lockdown although a welcome step to reduce the spread of Covid19, has left the general population in a grim state where almost all businesses and jobs have suffered a great deal. More importantly, government enforced lockdown to restrict the spread of infection has impacted the household economy in particular in the early months of crisis, people lost their jobs. In this backdrop, the present study focuses on the consumption behaviour, which is an important component of the economy; increase or decrease in the expenditure and savings because of covid 19. Covid 19 pandemic mostly affect the health of people, and has changed the dietary lifestyle behavioural. In this background, the study attempts to examine the family income, consumption, and saving patterns before and during covid 19 pandemic in Kannur Cooperation

**1.3 OBJECTIVES OF THE STUDY**

* To examine the changes in the consumption and purchase of food and non-food items before and during lockdown of the COVID-19 pandemic.
* To explore the important factors influencing consumption in study area.
* To find the association between income and consumption expenditure and saving before and during covid 19 pandemic.
* To analyse the saving behaviour of households.

**1.4 SCOPE OF THE STUDY**

The study mainly aims at analysing the implication of consumption expenditure pattern among households before and during covid 19 in Kannur Cooperation. The study also tries to understand the how far the past savings of the households has supported the income during the covid 19.

**1.5 METHODOLOGY OF THE STUDY**

Research methodology specifies method for acquiring the information needed to structure or solve the problem at hand through the selection of representative sample, collection of relevant data, and application of appropriate research tools and techniques for analysis and interpretation of the same for scientific investigation of the problems. The study is descriptive cum empirical in nature. The following methodology is adopted for the study.

**Data source:**

The study relies purely on primary data. The primary data required for the study has been collected by using convenient sampling method. For this purpose, a sample of fifty households has been chosen from Kannur Cooperation. Data has been collected using a well-designed interview Schedule prepared according to the objectives of the study. Besides, secondary information required for the study has been collected from articles, journals and various internet sources.

**Method of data collection:**

Primary data was collected through a well-designed interview schedule.

**Sample Design and size:**

Convenient sampling method has been used to collect necessary information required for the study. The sample size of the study consists of 50 households. It includes men and women from various age groups, the interview schedule method was followed to collect the required information from sample respondents.

**Tools of analysis**

To analyze the data, simple statistical and mathematical tools such as tables, percentage, diagrams, mean, standard deviation, correlation etc.…have been applied. Further, the following tools have been applied to analyze the various objectives of the study.

**1.6 LIMITATIONS OF THE STUDY**

* Time is the major constraint for a detailed study.
* Respondent do not reveal all information correctly.
* Most of the respondents are illiterate.
* The study has not covered the entire population.
* Lack of adequate source of information.

**CHAPTER II**

**REVIEW OF LITERATURE**

**2.1 REVIEW OF LITERATURE**

The review of literature is a crucial aspect in any research. Knowledge of what has already done is essential for doing a researching field. Literature survey involves a comprehensive review of published and unpublished work from the secondary source of data available in the relevant area of study. The review of related literature provides background and makes the researcher aware of the status of issue. Following are the important reviews related with the area of study.

Suresh Gopal, and Prakash Malliasamy (2022) attempted to analyse the transformation of savings and spending of rural households during covid 19. A questionnaire was developedusing a Likert scale to elicit variables, and the collected data were analysed using structural equation modelling. The results are showed that all types of savings had a positive and significant relationship with the savings motive of rural households during covid 19. Further, customary and spontaneous spending had a positive and significant relationship spending pattern of rural households. Rural inhabitants were interested in compromising their spending and other forms of savings to have more emergency savings.

Halidu Abu – Baker, Leon Williams & Stephen H. Hallett (2021) analysed the water consumption pattern of the household. The ongoing COVID 19 pandemic faces lockdown, the water consumption is increasing and discussed the water consumption in pre lock down and during lockdown and also analysed the weekly water consumption data, for Jan to May 2020.The study also analysed the households’ consumption pattern and trends before and during COVID 19 lock down in UK.

Masood Ahmed (2021) in this article states that covid 19 forced us to think beyond our conventional means and develop a new incorporating the present threats and its repercussions in the future. The possibility of living with covid 19 for a long time or evolving other similar threat in future is too real. The epidemic wants to change the way we are comfortable with. It wants us to adopt healthier and safety measures in our life. The present changes are rather forceful but will be part of the new normal in the near future. A fresh approach is required for business establishments to survive and retain their customer base. The first step towards the change is studying the change in demand and consumption function in relation to change in consumer behaviour. The paper probes the impact of covid 19 on consumer behaviour and how it affects growth functions.

Anagha Deodhar (2020) explores that increasing income inequality had implications for consumption pattern. One of the most pressing economic challenges the world could face post covid 19 is increasing income inequality. A large percentage of low-skill jobs are in the unorganized segment. Hence this segment is extremely vulnerable to shutting of workplace. For them, the lockdown essentially means loss of livelihood. Additionally, contrary to the more affluent class, poorer segment tends to have very low or savings and limited access to credit. Increasing income inequality has implications for consumption pattern. Poor and affluent household consumption pattern tend to be very difficult. While poor households spend large share of their income on food, more affluent households spend more on some items such as durable goods, housing, personal care etc. The economic consequences of their pandemic period have meant consumers are less inclined to spend more, with many expecting their household income to continue to fall in the coming month. Hence, potentially increasing income inequality in the coming years could have implications on India's consumption baskets.

Jagdish N. Sheth (2020) depicts that the covid 19 pandemic and the lockdown and social distancing mandates have disputed the consumer habits of buying as well as shopping. Consumers are learning to improvise and learn new habits. For example, consumers cannot go to the store, so the store comes to home. While consumers go back to old habits, it is likely that they will be modified by new regulations and procedures in the way consumers shop and buy products and services. New habits will also emerge by technology advances, changing demographics and innovative ways consumers have learned to cope with blurring the work, leisure, and education boundaries.

Michaela Pagel, and Steffen Meyer (2020) examines that how household consumption recompensed to the onset of the covid 19 pandemic. In the first half of march 2020 individual increased total spending by over 40 % across a wide range of categories and this followed by a decrease in overall spending of 25% - 30% during the second half of march coinciding with the disease spending, with only food delivery and grocery

**CHAPTER III**

**THEORETICAL FRAMEWORK**

**3.1 CONSUMPTION**

Aggregate consumption expenditure makes the largest component of GDP. It is the second most important macro variable used in macroeconomic analysis. It is also the most important factor in determining the level of economic activities in an economy.

Consumption is known as direct or final consumption, when the goods satisfy human wants directly and immediately. The goods have reached their final destination, e.g., wearing a shirt or eating a mango or using furniture, in which case the act of consumption is not a single process but is of a continuing nature. On the other hand, consumption is called indirect or productive consumption when the goods are not meant for final consumption but, for producing other goods which will satisfy human wants directly, e.g., using a sewing machine for making cloths. The use of the instruments of production is a case of indirect or productive consumption. Consumption may be useful or wasteful. When there is destruction by fire or earthquake or by any other natural calamity, the goods are just destroyed and not usefully consumed.

**Saving**

Saving is that part of income which is not spends on current consumption. The relationship between saving and income is called saving function. Simply put, saving function (or propensity to save) relates the level of saving to the level; of income. It is the desire or tendency of the households to save at a given level of income. Those, saving (s) is a function

(f) of income(y). a saving function is corollary of consumption function, we can derive the corresponding saving function from consumption function equation C= C + b\*Y by substituting it in the equation S = Y – C as shown below

= Y- (C + b \*Y)

= Y- C – b\*Y

S = - C + (1 – b) Y

Where C autonomous consumption (- C represents dissaving, which is needed to finance autonomous consumption. Clearly, at zero level of income, amount of autonomous consumption = Amount of dissaving.), b = MPC (so that 1- b represents MPS, i.e., marginal propensity to save) Y = income.

**Income**

Income is defined as the flow of money or goods according to an individual or a group of individuals a firm or the economy over some period. It may originate from the sale of productive services (as wages, interest, profit and rent). Incomes earned by households are spent on purchasing of all goods and services required for daily consumption.

**The relationship between income and saving**

* There is a direct relationship between income and saving. i.e., if income increases, saving also increases, but by less than increase in income. It means as income increases, proportion of income saved increases (because proportion of income consumed decreases).
* At lower level of income, saving is negative. In the initial stage when there is very low level of income, consumption expenditure is more them income leading to negative saving (i.e., dissaving). For instance, if income is, say, Rs 5000 and consumption expenditure is, say 6000, then saving will be negative, i.e., -1000 (= 5000-6000). It is called dissaving. Here average propensity to save is negative. APS = -1000/5000=-0.20.

**Relative Income Hypothesis**

The theory is first propounded by Dorothy Brady and Rose Friedman. Its underlying assumption is that saving rate depends not on the level of income but on the relative position of the individual on the income scale. As such relative-income hypothesis implies the assumption that spending is related to a family’s relative position in the income distribution of approximately similar families. Much additional theoretical and empirical support of this hypothesis was provided by the work of Modigliani and of James S. Duesenberry, carried out at about the same time. The relative income hypothesis is conceived by Duesenberry and helps to explain the differences found between consumption function derived from data of families classified by groups and those derived from overall totals (time series).

Duesenberry contended that, at any given moment in time, consumption is not particularly sensitive to current income. People spend in a manner consistent with their relative income position. With incomes rising or falling over the course of years, their spending patterns change if their relative position changes. Duesenberry develops the proposition that the ratio of income consumed by an individual does not depend on his absolute income, instead it depends upon his relative income—upon this percentile position in the total income distribution. During any given period, a person will consume smaller percentage of his income as his absolute income increases if his percentile position in income distribution improves and vice versa.

Thus, the relative income theory argues that the fraction of a family’s income spent on consumption depends on the level of its income relative to the income of neighbouring family’s and not on the absolute level of the family’s income. If a family’s income increases but its relative position on the income scale remains unchanged because incomes of other families have also risen at the same rate, its division of income between C and S will remain unchanged. According to the relative income theory, each family, in deciding on the fraction of its income to be spent, is uninfluenced by the fact that it is twice as well off in absolute terms and is influenced only by the fact that it is no better off at all in relative terms

**Permanent Income Hypothesis:**

The best-known exposition of the PIH is developed by Professor Milton Friedman— formerly of the University, of Chicago. He says permanent income is roughly akin to lifetime income, based on the real and financial wealth at the disposal of the individual plus the value of one’s human capital in the form of inherent and acquired skills and training. The average expected return on the sum of all such wealth at the disposition of an individual would be his permanent income. But measured income is different from permanent income according to Friedman.

Over a lifetime measured income ought to coincide with permanent income, but in any one year measured income as a result to cyclical fluctuations and because of other random changes may depart from permanent income. But the best way to measure permanent income, according to this hypothesis, is through a weighted average of past and present measured income, with less weight being given to measured income that lies farther in the past. In any year the difference between the measured income and permanent income is transitory income. It may be positive or negative, but over an individual’s life time it is essentially zero.

This theory like the relative income theory holds that the basic relationship between consumption and income is proportional, but the relationship here is between permanent consumption and permanent income. Thus, quite a different approach to the role of income in the theory of consumer spending has been developed by Milton Friedman. The main point of departure is the rejection of the common concept of current income and its replacement by what he calls permanent income.

A family’s permanent income in any one year is in no sense indicated by its current income for that year but is determined by the expected income to be received over a long period of time, stretching out over a number of future years. According to Friedman, “Permanent income is to be interpreted as the mean income regarded as permanent by the consumer unit in question, which in turn depends on its farsightedness”. Given this meaning of permanent income, a family’s measured or observed or actual income in any particular year may be larger or smaller than its permanent income. Friedman divides the family’s measured income in the year into permanent income and transitory income. The measured (actual) income is larger or smaller than its permanent income, depending on the sum of positive and negative transitory income components. These unexpected additions and subtractions from family’s income are expected to cannel out over a longer period relevant to permanent income but they are present in any shorter period. Similarly, Friedman divides measured (actual) consumption into permanent and transitory components.

**Life Cycle Hypothesis:**

Life cycle hypothesis is another important attempt to explain the difference between cyclical short-run consumption function and secular long-run consumption function. It has been developed by Franco Modigliani, Albert Ando and later by Brumberg—called the life cycle hypothesis or MBA approach. It is said that life cycle hypothesis is similar to PIH developed by Friedman. The Modigliani—Brumberg—Ando (MBA) approach is essentially a permanent wealth hypothesis rather than a ‘permanent income hypothesis’ though in practice the two approaches converge.

In its most recent formulation, the household or consumer unit is assumed to determine “the amount available for consumption over life, which is the sum of the households’ net worth at the beginning of the period—plus the present value of its non-property income— minus present value of planned bequests. “Thus, the relationship is essentially the same as that derived by Friedman. In either formulation, the central tenet is the assumption that the proportion of permanent income saved by a consumer unit in a given period is independent of its income (or its resources) during that period and furthermore that transitory incomes may have no or little effect on current consumption.

The life cycle hypothesis states the income consumption relationship as:

C1 = KVt

where Ct is the current consumption by an individual, K is the factor of proportionality and Vt is the present value of the resources accruing to the individual over the rest of his life. The total resources available to the individual over his entire life span are the sum of individuals net worth at the end of the proceeding period plus his income during the current period from the non-property sources plus the total of the discounted values of the non- property incomes expected in the future time periods. Assuming a proportionate relationship between the current non-property income and the discounted sum of expected future non-property income, an aggregate consumption function is expressed as:

Ct = aYtn+ bAt-1

where Ct is the current consumption, Ytn is the aggregate non-property income in period t, At t -1 is the aggregate net worth at the end of At t-1 (proceeding period) and a and b are proportionality constants.

This simplified life cycle hypothesis serves at least to remind us that savings and consumption pattern and involve more than blind psychological urges for thrift or unthinking and mechanical responses to changes in the level of current income. The life cycle consumption function that we have derived, differs from its simple Keynesian counterpart because in the life cycle consumption function, consumption is taken as a function of wealth and of age and not simple of current income.

Both the life cycle hypothesis and the permanent income theory suggest that consumers adjust their consumption patterns to the total resources which they can draw on for spending over their life-times. These resources consist of both wealth and the present value of expected income. The life cycle hypothesis differs from the theory of Friedman, however in that the propensity to consume of an individual will vary with age as well as wealth.

**CHAPTER IV**

**DATA ANALYSIS AND INTERPRETATION**

**Table: 4.1**

**Gender Wise Classification**

|  |  |  |  |
| --- | --- | --- | --- |
| Sl. No. | Gender | No of Respondents | Percentage (%) |
| 1 | Male | 26 | 52 |
| 2 | Female | 24 | 48 |
| 3 | Total | 50 | 100 |

Source: primary data

**Chart: 4.1**

**Gender Wise Classification**

**Interpretation**

Table 4.1 gives information about the gender wise classification of collected data. Out of 50 samples, 26 respondents are males and remaining 24respondents are females. It can be concluded from the table that male respondents are more than the female.

**Table: 4.2**

**Age Wise Distribution of Data**

|  |  |  |  |
| --- | --- | --- | --- |
| Sl. No. | Age Group | No of Respondents | Percentage |
| 1 | 20 – 40 | 11 | 22 |
| 2 | 40 – 60 | 27 | 54 |
| 3 | 60 and above | 12 | 24 |
| 4 | Total | 50 | 100 |

Source: Primary data

**Chart: 4.2**

**Age Wise Distribution of Data**

**Interpretation**

Table 4.2 shows the age wise distribution of sample respondents. Out of 50 samples, only 11 and 12 respondents are in the age group of 20 – 40 and 60 above age group respectively. The highest percentage of samples fall under the age group 40 – 60, that is 54 percentages. Thus, it is clear that the samples include youth, middle aged people and aged.

**Table 4.3**

**Marital status of Respondents**

|  |  |  |  |
| --- | --- | --- | --- |
| Sl. No. | Marital status | No of respondents | percentage |
| 1 | Married | 46 | 92 |
| 2 | Widow | 4 | 8 |
| 3 | Divorced | 0 | 0 |
| 4 | Unmarried | 0 | 0 |
|  | Total | 50 | 100 |

Source: Primary data

**Chart 4.3**

**Marital status of Respondents**

**Interpretation**

Table 4.3 gives the information about the marital status of the sample respondents. There are no divorced and unmarried respondents in the samples. Out of 50 samples, only 4 respondents are widow, they are under the age group of 60 above. In the case of married,92 percentages of respondents are married.

**Table 4.4**

**Educational Qualifications**

|  |  |  |  |
| --- | --- | --- | --- |
| Sl. No. | Educational level | No of respondents | Percentage |
| 1 | Lower primary | 11 | 22 |
| 2 | Upper primary | 9 | 18 |
| 3 | SSLC | 16 | 32 |
| 4 | PLUSTWO | 5 | 10 |
| 5 | UG | 8 | 16 |
| 6 | PG | 1 | 2 |
| 7 | Total | 50 | 100 |

Source: Primary data

**Chart 4.4**

**Educational Qualifications**

**Interpretation**

Table: 4.4 show the clear information about the educational qualification of the sample respondents. In this study, educational levels are taken as lower primary to PG level. Most of the respondents are educated at SSLC level that is,32 percent. Only 10 percent have plus two-level qualification and 16 percent completed under graduation. Only one respondent had P.G. qualification. 22 percent have 4 years of schooling and another 18 percent 7 years of schooling. Thus, the table interpret that majority have educational qualification up to SSLC.

**Table 4.5**

**Job Status**

|  |  |  |  |
| --- | --- | --- | --- |
| Sl. No. | Job Status | No of respondents | Percentage |
| 1 | Daily wage worker | 26 | 52 |
| 2 | Permanent worker | 9 | 18 |
| 3 | Jobless | 15 | 30 |
| 4 | Total | 50 | 100 |

Source: Primary data

**Chart 4.5**

**Job Status**

**Interpretation**

Table 4.5 gives the information about the job category of the sample respondents. Out of 50 samples, 52 percent of respondents are working on a daily wage basis. 15 respondents are jobless, in this category most of them are women.18 percent are permanent workers which include the government employee and business men. Daily wage workers are also known as coolie worker, these workers get only wage as their income. The jobless category includes the home maker and old peoples; they are not getting any income.

**Table 4.6**

**Occupational Status**

|  |  |  |  |
| --- | --- | --- | --- |
| Sl. No. | Employment status | No of respondents | Percentage |
| 1 | Coolie | 24 | 48 |
| 2 | Private | 5 | 10 |
| 3 | Government employee | 2 | 4 |
| 4 | Self-employee | 4 | 8 |
| 5 | Jobless | 15 | 30 |
|  | Total | 50 | 100 |

Source: Primary data

**Chart 4.6**

**Occupational Status**

**Interpretation**

Table 4.6 shows the information about the occupational status of the sample respondents. Out of fifty samples, 48 percent of respondents are coolie workers, those who are earning daily wage. The table 3.5 shows the information about the job of the respondents, in that table 26 respondents are daily wage worker but, in this table, only 24 respondents are working as coolie worker, the 2 is working under the category of private employee as a daily wage worker. 15 are jobless. 70 percent of respondents are working and earning incomes for their family as under different occupation.

**Table 4.7**

**Ration Card Type**

|  |  |  |  |
| --- | --- | --- | --- |
| Sl. No. | Ration card type | No of respondents | Percentage |
| 1 | APL | 26 | 52 |
| 2 | BPL | 24 | 48 |
|  | Total | 50 | 100 |

Source: Primary data

**Chart 4.7**

**Ration Card Type**

**Interpretation**

Table 4.7 indicates the economic category of the sample respondents. This shows the APL and BPL category of the sample respondents. In this study concluded that there is only 4 percent difference between the APL and BPL category. We can analyse that job and ration card are related because of 24 respondents are coolie workers and also, they have the BPL card. The economic category and job are directly related variables.

**Table: 4.8**

**Family Type**

|  |  |  |  |
| --- | --- | --- | --- |
| Sl. No. | Family type | Respondents | Percentage |
| 1 | Nuclear family | 46 | 92 |
| 2 | Joint family | 4 | 8 |
|  | Total | 50 | 100 |

Source: Primary data

**Chart: 4.8**

**Family Type**

**Interpretation**

Table 4.8 gives the information about the family type of the sample respondents. The family type includes nuclear and joint family. In this study most of them are nuclear family that is 92 percent of the respondents. Only 8 percent of them belong to joint family. The nuclear family consist father, mother and their children, and a family including with grandparents and other relatives also termed as joint family. So, in this study shows the family concept of the present generations. Thus, it reveals the preferences of present generations towards nuclear family instead of living with parents and other relatives.

**Table: 4.9**

**Number of Dependents in the family**

|  |  |  |  |
| --- | --- | --- | --- |
| Sl. No. | No. of Depended Members | No of respondents | Percentage |
| 1 | Not depending | 4 | 8 |
| 2 | 1 | 13 | 26 |
| 3 | 2 | 10 | 20 |
| 4 | 3 | 14 | 28 |
| 5 | 4 | 9 | 18 |
|  | Total | 50 | 100 |

Source: Primary data

**Chart: 4.9**

**Number of Dependents in the family**

**Interpretation**

Table 4.9 gives the information about the number of dependent members in family. The number of dependents members shows each member of the family dependent on income earners in the family. The dependent class in the sense that each individual financially depends on other members or income earners in the family. Table 3.9 shows that out of 50 family, only in four families each member is independent of each other and also found out that in 13 families, there is only one person depending on income earners in the family. Table also reveals that, 14 family members have three depending members in each family; it may be children, jobless person, job seekers and grandparents. The conclusion is that 4 out of 50 families don’t have dependent class, all are income earners in the family.

**Table: 4.10**

**Family Members**

|  |  |  |  |
| --- | --- | --- | --- |
| Sl. No. | Members | No of respondents | Percentage |
| 1 | 1 – 4 | 38 | 76 |
| 2 | 5 – 8 | 12 | 24 |
|  | Total | 50 | 100 |

Source: Primary data

**Chart: 4.10**

**Family Members**

**Interpretation**

Table 4.10 shows the information about that number of members in the family. 76 percent of the respondents have 1- 4 family members in the family. The four-member family include father, mother and children. In this study only 24 percentage of family have five and more than five members included.

**Table: 4.11**

**Demographic Detail of the Respondent’s Family**

|  |  |  |  |
| --- | --- | --- | --- |
| Sl. No. | Gender | No of respondents | Percentage |
| 1 | Males | 54 | 43.2 |
| 2 | Females | 71 | 56.8 |
| 3 | Total | 125 | 100 |

Source: Primary data

**Chart: 4.11**

**Demographic Detail of the Respondent’s Family**

**Interpretation**

Table 4.11 shows the households members gender wise distribution. The total members of the 50 households are 125. Most of the members are female that is 57 percent, so the dependent class is high

**Table: 4. 12**

**Age classification of the respondent’s family**

|  |  |  |  |
| --- | --- | --- | --- |
| SL No. | Age | No of  respondents | Percentage |
| 1 | 1 – 20 | 42 | 34 |
| 2 | 20– 40 | 48 | 38 |
| 3 | 40 - 60 | 25 | 20 |
| 4 | 60 above | 10 | 8 |
| 5 | Total | 125 | 100 |

Source: Primary data

**Chart: 4. 12**

**Age classification of the respondent’s family**

**Interpretation**

Table 4.12 shows the age classification of the households. The 38 percentage of the family members are under the age between 20 – 40 age group. 15 – 64 is the working age group in the households. The 10 family members are under the age group of 60 above age categories. The 60 above age group are dependent on the earning group of their family, and also up to 15 age groups are dependent class because they are students and children.

**Table: 4.13**

**Occupational status of family members**

|  |  |  |  |
| --- | --- | --- | --- |
| Sl. No. | Occupational  status | No of  respondents | Percentage |
| 1 | Private sector | 3 | 4.8 |
| 2 | Coolie | 14 | 11.2 |
| 3 | Government | 2 | 1.6 |
| 4 | Jobless | 93 | 74.4 |
| 5 | Others | 10 | 8 |
| 6 | Total | 125 | 100 |

Source: Primary data

**Chart: 4.13**

**Occupational status of family members**

**Interpretation**

Table 4.13 depict the information about the occupational status of the family members. In this, out of 125 family members, only 2 members have government job. Most of them are jobless because they are students, women and old aged. Coolie workers are also high in the case of occupational status of the family members.

**Table: 4.14**

**Educational qualification of the family members**

|  |  |  |  |
| --- | --- | --- | --- |
| Sl. No. | Educational  status | No of  respondents | Percentage |
| 1 | Up to SSLC | 86 | 68.8 |
| 2 | Plus Two | 17 | 13.6 |
| 3 | Degree | 18 | 14.4 |
| 4 | PG | 4 | 3.2 |
| 5 | Total | 125 | 100 |

Source: Primary data

**Chart: 4.14**

**Educational qualification of the family members**

**Interpretation**

Table 4.14 gives the information about the educational qualification of the family members. 86 family members are educated at SSLC level. Only 4 members have the highest qualification like PG level. Plus two and Degree level has only 1 difference that is 17 and 18 respectively.

**Table: 4.15**

**Income earners in the family**

|  |  |  |  |
| --- | --- | --- | --- |
| Sl. No. | Earners | No of respondents | Percentage |
| 1 | Respondent | 35 | 57 |
| 2 | Husband /Wife | 17 | 28 |
| 3 | Son /Brother/Daughter | 8 | 12 |
| 4 | Parents | 2 | 3 |
| 5 | Parents in law | 0 | 0 |
| 6 | Total | 62 | 100 |

Source: Primary data

**Chart: 4.15**

**Income earners in the family**

**Interpretation**

Table 4.15 gives the information about the income earners in the family members. In our study the earners are classified under five headings these are shown in the above table. The main respondents are the highest income earners in the family. The second position is the respondent’s wife or husband that is 28 percent.

**Table: 4.16**

**Monthly income of the respondents**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Sl. No. | Income | Before lockdown | | During Covid 19 | |
| Frequency | Percentage | Frequency | Percentage |
| 1 | Below 1000 | - | - | 19 | 38 |
| 2 | 1000-10000 | 7 | 14 | 11 | 22 |
| 3 | 10000-20000 | 19 | 38 | 5 | 10 |
| 4 | 20000-30000 | 12 | 24 | 7 | 14 |
| 5 | 30000-40000 | 5 | 10 | 5 | 10 |
| 6 | 40000-50000 | 5 | 10 | 2 | 4 |
| 7 | 50000 above | 3 | 6 | 1 | 2 |
| 8 | Total | 50 | 100 | 50 | 100 |

Source: Primary Data

**Chart: 4.16**

**Monthly income of the respondents**

**Interpretation**

Table: 4.16 represent the monthly income of the household before and during Covid 19. The percentage of people earning income in between 10000-20000 before covid 19 has declined from 38 percent to10 percent during covid 19 period. In the case of income group between 20000-30000, 30000 to 40000, and 40000 to 50000, there is a decline in monthly income from 24 percent, 10 percent, and 10 percent to 14 percent, 10 percent and 4 percent respectively. The average income of the family before covid 19 was Rs. 21,483 which has come down to Rs. 11,010 (table 3.17) during pandemic period. This shows a considerable decline in the earnings of the members of the family due to loss of jobs and lockdown.

**Table 4.17**

**Type of land Owned**

|  |  |  |  |
| --- | --- | --- | --- |
| Sl. No. | Type of land | No of respondents | Percentage |
| 1 | Agriculture land | 12 | 24 |
| 2 | Wet land | 30 | 60 |
| 3 | Grass land | 3 | 6 |
| 4 | Land less | 5 | 10 |
| 5 | Total | 50 | 100 |

Source: Primary data

**Chart 4.17**

**Type of land Owned**

**Interpretation**

Table 4.17 gives the information about the land holdings of the sample respondents. The type of lands is classified under the 3 headings, those who do not have land also considered in this table that is headed as land less respondents. Most of the respondents stated that they have only the wetland, the land does not use for any purpose. 12 percent of the respondents have agriculture land. 10 percent does not own any land.

**Table: 4.18**

**Whether started any** **income supporting activities during Corona**

|  |  |  |  |
| --- | --- | --- | --- |
| Sl. No. | Started or not | No of respondents | Percentage |
| 1 | Yes | 12 | 24 |
| 2 | No | 38 | 76 |
| 3 | Total | 50 | 100 |

Source: Primary data

**Chart: 4.18**

**Whether started any** **income supporting activities during Corona**

**Interpretation**

Table 4.18shows the information about whether the households started any type of income supporting activity during covid / lockdown. Only 12 respondents have started income supporting activity during covid / lock down. Most of the respondents do not engage any kind of income supporting activity.

**Table: 4.19**

**Types of Activity**

|  |  |  |  |
| --- | --- | --- | --- |
| Sl. No. | Type of Activity | No of respondents | Percentage |
| 1 | Farming | 7 | 58 |
| 2 | Business | 5 | 42 |
| 3 | Total | 12 | 100 |

Source: Primary data

**Chart: 4.19**

**Types of Activity**

**Interpretation**

Table 4.19 gives the information about the type of activity started in order to supplement the income during lockdown. There are only 12 households who are engaged in the income supporting activity. 5 are engaged in small businesses and 7 in farming.

**Table: 4.20**

**Any Changes in financial planning during Covid 19**

|  |  |  |  |
| --- | --- | --- | --- |
| Sl. No. | Changes | No of respondents | Percentage |
| 1 | Yes | 30 | 60 |
| 2 | No | 20 | 40 |
| 3 | Total | 50 | 100 |

Source: Primary data

**Chart: 4.20**

**Any Changes in financial planning during Covid 19**

**Interpretation**

Table 4.20 indicates the information about the financial planning changes due to corona. Most of the respondents reported change in their financial planning (60 percent) due to fall in their income and savings level during lockdown period. Only 40 percent have reported no change in their financial planning.

**Table: 4.21**

**Adjustment of lifestyle**

|  |  |  |  |
| --- | --- | --- | --- |
| Sl. No. | Type of adjustment | No of respondents | Percentage |
| 1 | Food | 4 | 13 |
| 2 | Cloth | 11 | 37 |
| 3 | Entertainment | 15 | 50 |
| 4 | Total | 30 | 100 |

Source: Primary data

**Chart: 4.21**

**Adjustment of lifestyle**

**Interpretation**

Table 4.21 shows the information about what are the adjustments made in the life during the time of covid. Most of the respondents adjusted the life with the entertainment. People are not ready to make any adjustment with food as food is compulsory in daily life. So, we can only ignore the entertainment like theatre, park etc. More over these were also closed during covid 19 pandemic.

**CHAPTER V**

**FINDINGS, SUGGESTIONS AND CONCLUSION**

**5.1 FINDINGS**

* 52 percent of respondents are male.
* In this study the 92 percent of respondents are married.
* There was no illiterate. All are educated at compulsory level.
* 52 percent of respondents are working as a daily wage basis.
* 52 percent of respondents belong to APL category.
* Male are the main income earners in the family.
* 92 percent respondents belong to nuclear family.
* The working-class age group is higher than the dependent class.
* 71 number of family members are females
* 60 percent of the samples having wet land, and some individual have the agriculture land.
* The number of people earning income between 10000-20000 has decreased from 38 percent to 10 percent.
* The average income of the family before covid 19 was Rs. 21483 which has come down to Rs. 11010 during pandemic period.
* All the respondents have the same opinion about savings that it is necessary in the life.
* 31 percent of respondents’ saving capacity has declined since the covid 19.
* There is moderate correlation between income and saving before covid 19 and low correlation between income and saving during covid 19.
* In the pre covid 19 period, majority of people spend more amount for rice and wheat in category of food expenditure, and comparatively low amount for other food items. But during the pandemic period the households reduced the amount spent for other food items.
* Before covid-19 majority of the respondents spend an amount of 250-500 on meeting their non-food expenditure. But during covid 19 they prefer to spend fewer amounts (0-250) to meet their non-food expenditure.
* The educational expenditure before lockdown is very high compared to the lockdown period because, during this shutdown period the classes were conducted through online, so there is no uniform, transportation cost, tuition fees etc.
* This study reveals that the health expenditure was high during the lockdown period, as there was the excessive usage of handwash, Dettol, sanitizer, mask.
* The entertainment expenditure before lockdown is comparatively high, but during lockdown period, it is less because of shutdown of hotel, theatre and public transport etc.
* The total monthly expenditure of the household is decreasing at the time of covid 19, because of the 6000 – 9000 amount of total expenditure decreases from 38 percent to 20 percent.
* In this study find that there is a low degree of correlation between income and expenditure.
* There is no food shortage during the period of lockdown because of some kind of association and government provide food items to the households.
* Most of them prefer home deliveries over store visits during covid 19.
* Before covid 19, there is a moderate correlation between income and saving, because of the value between 0.5 to 0.75, that is 0.560. while during covid 19, the correlation coefficient became low that is value lies below 0.5. there is low correlation between income and savings. This implies that there is a significant fall in the savings with a fall in their income level.
* People are spending only on necessities like groceries, vegetables.
* 60 percent of respondents has changed financial planning during covid 19 pandemic.
* The savings of the respondents decreased during the time of covid 19.
* 62 percent of respondents have discontinued the savings during covid 19.
* The 30 percent of respondents have agreed that covid 19 affected the shopping behaviour because of cloths are buying stopped during covid 19 and remaining 70 percent respondents does not change the shopping behaviour.
* The 48 percent of respondents have the same spending habits before covid and during covid 19.
* 66 percent of the respondents purchasing more fruits and 24 percent of respondents purchasing vegetables during covid 19. This was greater than the before covid 19 period.
* 50 percent of the people are adjusted life by neglecting the entertainment enjoyments.
* 38 % of respondents are lacking savings during covid 19.
* 38 % of respondent strongly agree that saving habits helped them to support their family during covid 19.
* 44 % of respondents have strongly agreed that savings can maintain standard of living as before during covid 19.
* 56 % of respondents have neither agree nor disagree that savings brings confidence during covid.
* 40 % respondents have visit market once in a week before covid 19.
* 40 % respondents have visit market once in a month during covid 19.
* 60 percent of respondents stopped buying cloths during covid 19, and 18 percent not ready to stop buying products.

**5.2 SUGGESTIONS**

On the basis of findings of the present study, the following viable suggestions are offered with regard to the study on family income, consumption and saving patterns before and during covid 19 with special reference to Kannur Cooperation

* Saving habit among households should be encouraged in order to overcome the pandemic in future.
* The participation of women and youngsters should be increasingly brought into the economic field.
* The unemployed person should be motivated to engage in other activities such as agriculture activities and self-employment.
* More importance should be given to consume immunity boosting items instead of buying unnecessary food for good health.
* Each and every household should prepare a budget to analyse the consumption pattern and saving patterns of every month.
* Awareness should be created among households to reduce all unnecessary expenses.

**5.3 CONCLUSION**

The study shows that COVID-19 crisis causes strong shifts in consumer behaviour across all expenditure heads. The crisis forces consumers to change their habits and ways of living in nearly all aspects of life including travel, shopping, sports, and meet ups with friends. The decline in income had not completely decreased the purchasing power of the households during the covid 19. The consumption expenditure has changed from unessential to essential. As consumers adapt to the house arrest for a prolonged period of time, they are likely to adopt newer technologies which facilitate work, study and consumption in a more convenient manner. In the pre period of COVID-19 the consumers visit market frequently reduced after the government announced worldwide Lock down. Thus, to conclude, as a result of the COVID-19 crisis, many changes took place in consumer behaviour related to products, shopping, and savings. These changes proved to be more related to consumers’ perceptions of the crisis than to its practical effects.

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**APPENDIX**

Personal information

1. Name of the head of the household:

Age (In Years):

Sex: Male/Female

Religion: Hindu/ Christian/Muslim/Others Caste:

Marital status: Married/ Unmarried/widow/separated

2. Economic status: APL/ BPL

3. Educational Qualification:

4. Job category: Permanent workers Daily wage workers

5. Occupational Status: Coolies/Government job/Self Employee/Private sector

6. Type of family: joint family or nuclear family

7. Total number of members in the family

8. Number of dependents:

9. Family Description

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Serial: no | Relation with head of the Family | Age | Gender | Education | Occupation status | Current Status |
|  |  |  |  |  |  |  |

10. Family source of income

a) Myself

b) Husband

c) Son/Daughter

d) Parents

e) Parents in law

11. Family Income (Monthly)

|  |  |
| --- | --- |
| Before Lockdown | During Lockdown |
|  |  |

12. Do you have any other source of income: Yes No

13. If yes, what are the other sources of income:

14. Do you have any land: Yes or No

15. If yes, type of land:

16.Have you started any income supporting activity during corona: Yes or No

17. If yes, state the activity:

18. Has your financial planning changed due to the outbreak of corona virus? Yes/No

19. If yes, how do you adjusted your lifestyle according to your income Food clothing entertainment