A STUDY ON FINANCIAL INSECURITY AND ITS EFFECT ON THE LIVES OF HOUSEHOLDS WITH REFERENCE TO COCHIN CITY

Dissertation submitted to

MAHATMA GHANDHI UNIVERSITY, KOTTAYAM

In partial fulfilment of requirement for the

Degree of Bachelor of Commerce (Travel & Tourism)

Submitted by

Mr. Tom Ditto Wilson (200021065341)

Mr. Muhammed Nihal T A (200021065299)

Mr. Anis Joseph Antony (200021065308)

Under the guidance of

Asst. Prof. ALDRIN JOSEPH

Department of Commerce (Travel and Tourism)

DEPARTMENT OF COMMERCE (TRAVEL AND TOURISM)

BHARATA MATA COLLEGE

(AFFILIATED TO MAHATMA GANDHI UNIVERSITY, KOTTAYAM)

THRIKKAKARA, P.O 682021

BHARATA MATA COLLEGE

(Affiliated to Mahatma Gandhi University – Kottayam)
Accredited by NAAC with A^{+}GRADE
Thrikkakara P.O, Cochin -682021, Kerala, India
E-mail: bharatamata@yahoo.co.in website: www.bharatamatacollege.in
Tel: 0484-2425121, 8281303721

BONAFIDE CERTIFICATE

This is to certify that dissertation entitled " **"** is a record of original work done by **Mr. Tom Ditto Wilson (200021065341) Mr Muhammed Nihal T A (200021065299) Mr. Anis Joseph Antony (200021065308) ,** in partial fulfilment of the requirement for the degree of **BACHELOR OF COMMERECE** under my guidance. It is further certifying that dissertation or any part thereof has not been submitted elsewhere for any other degree.

Prof. ASHA JOHN
(Project Guide)

Place: Thrikkakara
Date:

DECLARATION

We. **Mr. Tom Ditto Wilson (200021065341) Mr Muhammed Nihal T A (200021065299) Mr. Anis Joseph Antony (200021065308) of** Bharata Mata College, Thrikkakara hereby declare that dissertation entitled "A study on financial insecurity and its effect on the lives of households with reference to cochin city " submitted in partial fulfilment of the requirements for the award of the degree of Bachelor's Degree in Commerce is our original work. We further declare that the said work as not previously been submitted to any other University or Academic body.

Date:

Place: Thrikkakara

ACKNOWLEDGEMENT

First of all we thank God Almighty for all the care he showed to us and continue showing his grace and blessings till the end.

We highly indebted to our Guide Asst. Prof. Aldrin joseph , Bharata Mata College for giving her invaluable guidance and constant encouragement all along the course of doing the project and also her valuable time in filling the information gaps and her sincere efforts in correcting manuscripts and other innumerable services rendered by her.

Last but not the least, we like to express my special thanks to our parents, friends and all other well- wishers who have helped us a lot in the preparation of the project report.

Mr. Tom Ditto Wilson (200021065341)
Mr Muhammed Nihal T A (200021065299)
Mr. Anis Joseph Antony (200021065308)

TABLE OF CONTENTS

SL.NO	TITLE	PAGE NO.
1	INTRODUCTION	1-4
2	REVIEW OF LITERATURE	5-8
3	DATA ANALYSIS AND INTERPRETATION	9-32
4	FINDINGS, SUGGESSTIONS AND CONCLUSION	33-36
	BIBLIOGRAPHY	
	ANNEXURE	

LIST OF TABLES

TABLE NO.	TITLE	PAGE NO.
3.1	Classification according to age category	9
3.2	Classification according to gender category	10
3.3	Classification according to occupation	11
3.4	Classification according to income level	12
3.5	Classification according to the number of members in the household	13
3.6	Classification according to the main source of income of household	14
3.7	Classification according to the regularity on tracking & spending of income	15
3.8	Classification according to the current financial situation	16
3.9	Classification according to the frequency of running out of money to meet basic needs	17
3.10	Classification according to the awareness about the condition of financial insecurity	18
3.11	Classification according to how financial insecurity affected the household in the past year	19
3.12	Classification according to the ability to make all monthly payments without difficulty	20
3.13	Classification according to the households having additional streams of income as back-up	21
3.14	Classification according to the source of additional income earned by households	22
3.15	Classification according to the	23

	situation of households in borrowing money to pay for basic necessities	
3.16	Classification according to the situation of households selling personal belongings / taking out high-interest loans to make ends meet in the past year	24
3.17	Classification according to the possible reasons that leads to financial insecurity	25
3.18	Classification on whether financial problems can affect mental health or not from household point of view	26
3.19	Classification on whether financial insecurity has affected the overall well - being & stress level or not	27
3.20	Classification according to the kind of financial emergency that leaves the household most stressed	28
3.21	Classification according to the possible effect of financial insecurity on an individual	29
3.22	Classification on whether managing finances is important to improve overall financial well –being or not from household point of view	30
3.23	Classification according to the willingness of households to make changes in their spending habits to achieve financial security	31
3.24	Classification according to the ways through which household plans to improve financial security in the next 5 years	32

LIST OF FIGURES

FIGURE NO.	TITLE	PAGE NO.
3.1	Classification according to age category	9
3.2	Classification according to gender category	10
3.3	Classification according to occupation	11
3.4	Classification according to income level	12
3.5	Classification according to the number of members in the household	13
3.6	Classification according to the main source of income of household	14
3.7	Classification according to the regularity on tracking & spending of income	15
3.8	Classification according to the current financial situation	16
3.9	Classification according to the frequency of running out of money to meet basic needs	17
3.10	Classification according to the awareness about the condition of financial insecurity	18
3.11	Classification according to how financial insecurity affected the household in the past year	19
3.12	Classification according to the ability to make all monthly payments without difficulty	20
3.13	Classification according to the households having additional streams of income as back-up	21
3.14	Classification according to the source of additional income earned by households	22
3.15	Classification according to the situation of households in	23

	borrowing money to pay for basic necessities	
3.16	Classification according to the situation of households selling personal belongings / taking out high-interest loans to make ends meet in the past year	24
3.17	Classification according to the possible reasons that leads to financial insecurity	25
3.18	Classification on whether financial problems can affect mental health or not from household point of view	26
3.19	Classification on whether financial insecurity has affected the overall well - being & stress level or not	27
3.20	Classification according to the kind of financial emergency that leaves the household most stressed	28
3.21	Classification according to the possible effect of financial insecurity on an individual	29
3.22	Classification on whether managing finances is important to improve overall financial well –being or not from household point of view	30
3.23	Classification according to the willingness of households to make changes in their spending habits to achieve financial security	31
3.24	Classification according to the ways through which household plans to improve financial security in the next 5 years	32

CHAPTER-1

INTRODUCTION

A STUDY ON FINANCIAL INSECURITY AND ITS EFFECT ON THE LIVES OF HOUSEHOLDS WITH REFERENCE TO COCHIN CITY

1.1 INTRODUCTION

A household is usually a group of persons who normally live together and take their meals from a common kitchen. They comprise of individual consumers who tries to maximize their satisfaction with their combined limited income. Economics mostly considers households as a unit of consumption. Income of a household is spent for food, clothing, shelter, medicine, personal care and related expenses. Insecurity means a state of being insecure, a feeling of anxiety, fear, or self-doubt. It is a common feeling that nearly most people will experience at some point, and it can stem from numerous sources. Unexpected financial emergencies can leave anyone stressed. Whether it's a job loss, an accident or a medical expense, a sudden change in your financial situation can make you restless and push you to take certain important and quick financial decisions.

Financial insecurity is the perception that your lifestyle has or will change dramatically as a result of sharp decreases in income and/or increased indebtedness. Financial Insecurity means not having (or perceiving to not have) sufficient money to pay bills and to meet basic necessities such as housing, medications, clothing, etc. Being financially insecure can undermine our basic psychological need for high self-esteem and low stress. Lacking these basic psychological needs can lead to financial cheating and reckless financial decisions. People who are financially insecure are economically vulnerable; they have little savings, often spend as much as they make or more than that, and are frequently crippled by unmanageable debt.

While growing inflation and rising costs of living are key factors, it's important to realize that financial commitments evolve as we progress in our lives, and our diverse needs such as higher education, leisure, wedding, child-care, starting one's own venture or even early retirement require financial stability. The pandemic is a reminder that the need to focus on financial stability is more pressing now than ever before. The challenging year that went by has made people rethink ways to be better prepared for emergencies.

Financial stability should be a key milestone for all individuals. It is crucial that one is able to meet all life goals comfortably without any compromises. A financial shield will not only help meet life goals but will also guard individuals and their families against any unforeseen circumstances. Given the ongoing uncertainties, a robust outlook towards financial stability will be instrumental in navigating challenging times.

1.2 OBJECTIVES OF THE STUDY

- To analyze the reasons that trigger financial insecurity.

- To study the impact of financial insecurity on the lives of households.

- To understand how financially insecure people deal with such situations.

- To find ways through which financial security can be achieved.

1.3 STATEMENT OF THE PROBLEM

Starting from day-to-day transactions to savings for the future, money plays an important role in our lives. It is difficult to think about the world without money. As money is used to meet various requirements, there arises a situation where available money is not sufficient to pay bills and to meet basic needs. Financial issue, stress and struggles are common in families. Students might have seen their parents struggling with financial issues or as an adult, you yourself might have experienced the same.

Our proposed study thereby focuses on the situation of financial insecurity, its impact on households and the possible reasons that trigger it. The study helps us to understand how financially insecure people deal with such situations so as to educate and create awareness in the society. The study focuses on finding ways to convert the problem of financial insecurity into financial security and thereby to achieve financial stability in future.

1.4 SIGNIFICANCE OF THE STUDY

Financial insecurity feeds on itself and accelerates because humans are sensitive to feelings of weakness and defeat. Unexpected financial emergencies can leave anyone stressed and can create a sense of insecurity in them. The anxiety produced by the exposure to adverse economic events and the anticipation of the difficulty to recover from them is indeed a concern to be taken care of. The study helps to identity the present financial condition of households. Personal positive experiences of people who overcame such situations can be an inspiration and helpful guide to people facing financial insecurity and to take precautions. Their tips and tricks can act as a guiding light to attain financial security, where being financially secure means that you no longer have to worry about money. You have peace knowing your financial situation can comfortably cover all your needs. Personal financial stability is important because it gives you a sense of security and peace of mind.

1.5 RESEARCH METHODOLOGY

For the purpose of the study, data is to be collected from primary sources as well as from secondary sources.

Primary data collection:

Primary data or first-hand information was collected from 50 respondents using a self-structured questionnaire having both open-ended and close ended questions. A schedule was adopted where the enumerator ask questions to the respondents and note down the answers on their behalf.

Secondary data collection:

Secondary data was collected from published sources like books, periodicals, magazines, e-books, journals, articles, reports, websites etc.

Tools for analysis of data under the study:

Pie charts, bar diagram, scatter diagram, line graph and tabular representation of data.

Population and sample size:

The population includes households from Cochin. 50 samples were collected from households residing in Cochin.

1.6 LIMITATIONS OF THE STUDY

- Since it is not possible to meet and collect data from all the households from Cochin city, the sample size is limited to random 50 households only.

- Since the study is limited to nearby places, the opinions of the respondents cannot be generalized.

- Any biased or false information provided by the respondents may affect the conclusion of the study.

- If the respondents do not have much time to read the whole questionnaire, they might fill in answers randomly.

- Time constraints can be another limitation of the study.

CHAPTER-2

REVIEW OF LITERATURE

1. **Thangaraj Ravikumar (2022)** describes that financial hardship refers to the inability to meet the needs of individuals or families such as food, clothing, education, housing, and health care. Financial anxiety leads to financial stress and financial stress affects the quality of life in general. Financial stress affects financial health and financial wellbeing is an ultimate measure of financial health.

2. **Weinstein, N., & Stone, D. N. (2018)** suggests that experiencing financial insecurity lowers well-being and increases problematic financial behaviors. He also mentions that financially insecure conditions undermined basic psychological needs and lowered well-being (measured in terms of self-esteem, depression, and anxiety). In addition, lower satisfaction of basic psychological needs linked financial insecurity to a greater likelihood of engaging in financial cheating and risky financial decisions.

3. **Russell A. Matthews (2018)** explains that when workers experience financial insecurity, it can have detrimental effects on their health. The effect appears to occur because of increased work–family conflict and stress associated with financial insecurity. Direct interventions related to addressing financial insecurity may be challenging, but data suggest there may be a meaningful return-on-investment.

4. **Hope Corman (2012)** in his study little is known about the effects of financial insecurity on social interactions despite consistently observed income effects on social capital. He adds that mental health does not appear to be an important mediator of financial insecurity on social interactions, although it has strong and negative independent associations.

5. **Nicholas Rohde (2014)** states that the anxiety is felt by individuals when they are threatened by the prospect of severe economic loses, and it is a major cause of concern. Financial worries rank amongst the most troubling for households, and related problems have been associated with many social ills including familial breakup, depression and suicide.

6. **Nancy Kong (2021)** mentions that even after controlling current family income and employment status, parents may have legitimate feelings of economic insecurity and these may be detrimental for their children. He also states that economic insecurity is found to be a leading cause of marital dissolution and it reduces both household consumption and financial investment in child education. When economically insecure, parents tend to report fewer positive interactions with their children.

7. **Naijie Guan (2022)** describes that financial stress has been proposed as an economic determinant of depression. A positive association between financial stress and depression is found in high-income, low, and middle income countries, but is generally stronger among population with low income. Social causation, psychological stress and social selection can also add to the effects of financial stress on depression.

8. **Roziah Mohd Rasdi (2021)** points out that financial insecurity transpires if one cannot fulfill the financial obligations. One of the basic contributors to psychological stress is financial insecurity since basic living conditions are built upon the management of personal financial resources. Financial insecurity is negatively associated with work engagement, worker performance at the workplace and organizational commitment.

9. **Taryn W Morrissey (2020)** states that families who experience sharp decreases in income may change their spending habits and have trouble paying bills. Households with few resources are more likely to cut food expenditures following a substantial loss in income or job change, whereas those with assets such as savings account or who own their homes are more often to buffer the negative impacts of income loss.

10. **Carol Bruce (2020)** describes that the 2020 pandemic of COVID-19 has had a pervasive impact on almost all aspects of life, including the ability of individuals and households to financially support them. He also states that those who are financially vulnerable (lowest income, limited access to cash and credit and struggling to meet ordinary expenses) are most likely to experience negative financial impact from the COVID pandemic.

11. **Emily Brown (2020)** explains that financial health is one's ability to manage expenses, prepare for and recover from financial shocks, have minimal debt, and ability to built wealth. It is a comprehensive assessment of finances that includes the ability to support meeting basic needs, which also encompasses opportunities to save and build wealth. Efforts to create meaningful opportunities to increase wealth in order to improve financial security have been limited by the lack of consistent, validated measures and definitions of individual financial health.

12. **Sangram Kishor Patel (2019)** states that institutional strengthening and community mobilization programs are the key to address the structural issues and decrease of financial vulnerability among FSWs. In addition, enhanced financial security is very important to sustain or improve the individual empowerment of FSWs.

13. **Anu Molarius (2012)** mentions that the difference in poor self-rated health between men and women could be explained by a higher prevalence of financial insecurity and experiences of condescending treatment among women. Women had higher educational level than men, which is in line with the official statistics. In spite of this they had a higher level of financial insecurity than men. This suggests that education does not "pay-off" as much among women as it does among men. The relationship between financial insecurity and health can be reverse, if persons with poor health run into financial difficulties.

14. **Luisa Anderloni (2012)** explains that a growing number of families are facing difficulties in repaying secured or unsecured debt, have arrears in paying utility bills or rent, and are unable to make ends meet or to cope with unexpected expenses. He states that in recent years household debt, in particular unsecured debt (consumer credit), has recorded high levels of growth and this has raised concerns about inconsistent household debt. In this case, households may risk a level of indebtedness that is unsustainable in relations to their earnings, and this may lead to financial vulnerability.

15. **Daniel Kopasker (2018)** suggests that the extent to which the mental health of an individual is affected by economic insecurity varies across measures of insecurity and gender. For males, the largest effect comes from insecurity related to their employment and may lead to changes in behavior, including increased work absenteeism and changes in health behaviors. For females, the effect of work-related economic insecurity and concerns regarding the future financial situation.

16. **Marybel R (2022)** describes that since the start of the pandemic, many families have experienced compounded burdens, including financial and social distress due to restrictions, lockdowns, and changes in routines.

CHAPTER-3

DATA ANALYSIS AND INTERPRETATION

For the purpose of study 50 samples were collected from respondents using a self-structured questionnaire having both open-ended and close ended questions. The samples were collected from households residing in Cochin. The tools used for data analysis include pie charts, bar diagram, scatter diagram, line graph and tabular representation of data.

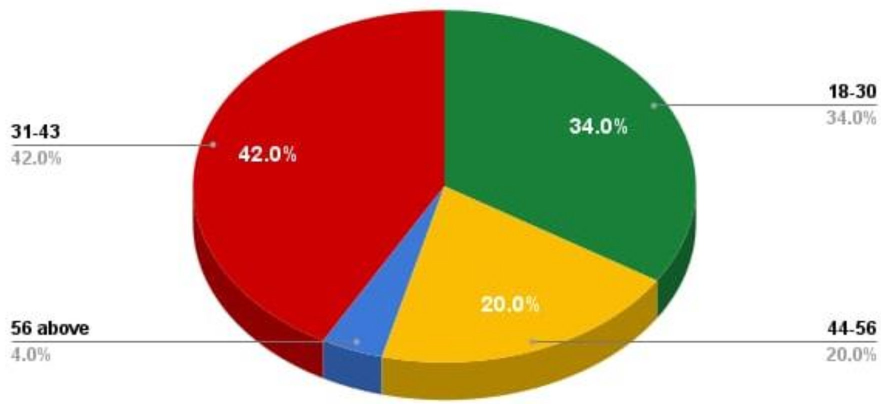
1) **Classification according to age category**

Table No. 3.1
Classification according to age category

Sl.No	Responses	Numbers	Percentage
1	18-30 years	17	34
2	31-43 years	21	42
3	43-56 years	10	20
4	56 Above	2	4
Total		50	100

(Source: Primary data)

Figure No. 3.1
Classification according to age category



The above data shows that majority of the respondents are of the age category 31-43 years (42%), followed by 18-30 years (34%), 44-56 years (20%) and 56 above (4%).

2) Classification according to gender category

Table No. 3.2

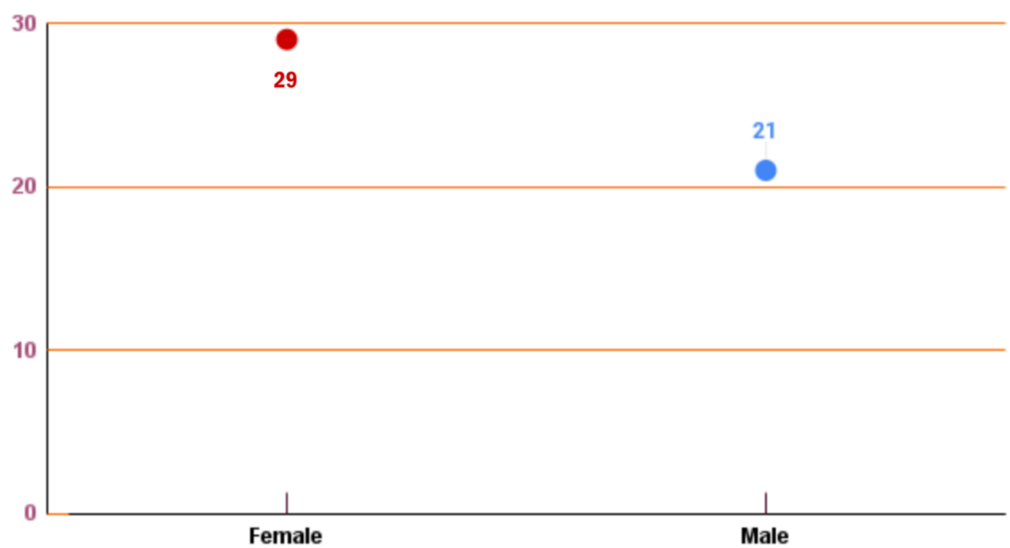
Classification according to gender category

Sl.No	Response	Number	Percentage
1	Male	21	42
2	Female	29	58
Total		50	100

(Source: Primary data)

Figure No. 3.2

Classification according to gender category



The above data shows that females are the major respondents (29) followed by male (21).

3) Classification according to occupation

Table No. 3.3

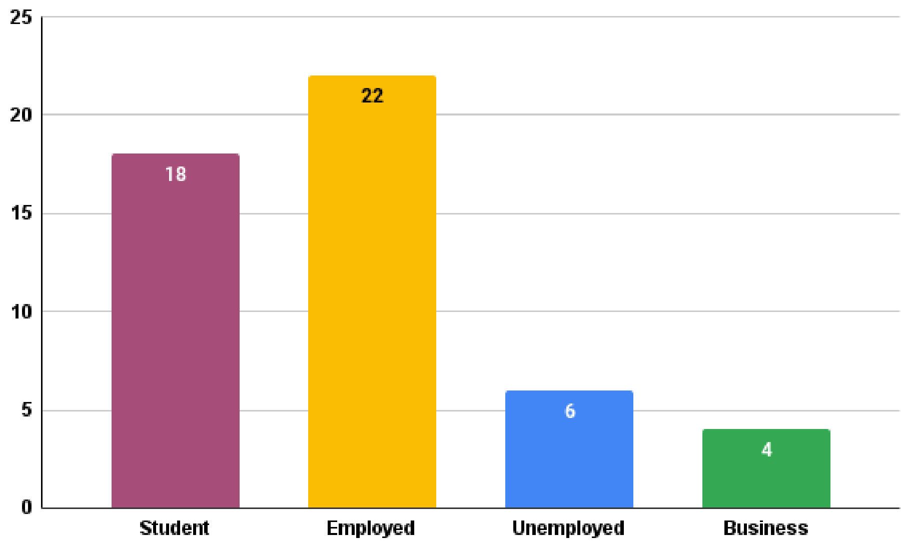
Classification according to occupation

Sl.No	Responses	Numbers	Percentage
1	Employed	22	44
2	Student	18	36
3	Business	4	8
4	Unemployed	6	12
Total		50	100

(Source: Primary data)

Figure No. 3.3

Classification according to occupation



The above data shows that out of 50 respondents' majority are employed (22) followed by students (18), unemployed (6) and doing business (4).

4) Classification according to income level

Table No. 3.4

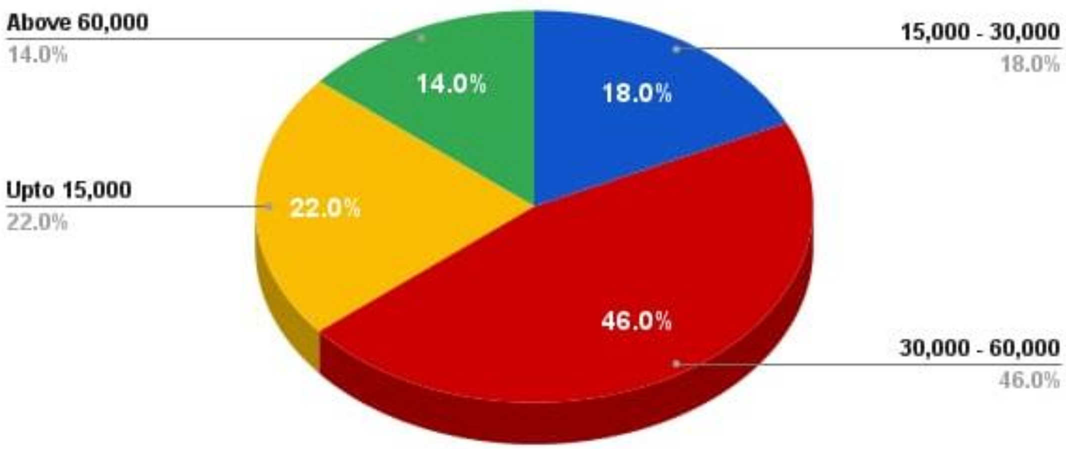
Classification according to income level

Sl.No	Responses	Numbers	Percentage
1	Up to 15,000	11	22
2	15,000-30,000	9	18
3	30,000-60,000	23	46
4	Above 60,000	7	14
Total		50	100

(Source: Primary data)

Figure No.3.4

Classification according to income level



The above data shows that nearly half of the respondents are of the income level 30,000-60,000 (46%). 22% of the respondents are of the income level up to 15,000. 18% of the respondents are of the income level 15,000-30,000 and 14% of the respondents are of the income level above 60,000.

5) Classification according to the number of members in the household

Table No. 3.5

Classification according to the number of members in the household

Sl. No	Responses	Number	Percentage
1	2 members	2	4
2	3-4 members	35	70
3	5-6 members	13	26
4	More than 6 members	-	-
Total		50	100

(Source: Primary data)

Figure No.3.5

Classification according to the number of members in the household

The above data shows that out of 50 respondents the majority have 3-4 members in their household (35). 13 respondents have 5-6 members in their household and 2 respondents have 2 members in their household.

6) Classification according to the main source of income of household

Table No. 3.6

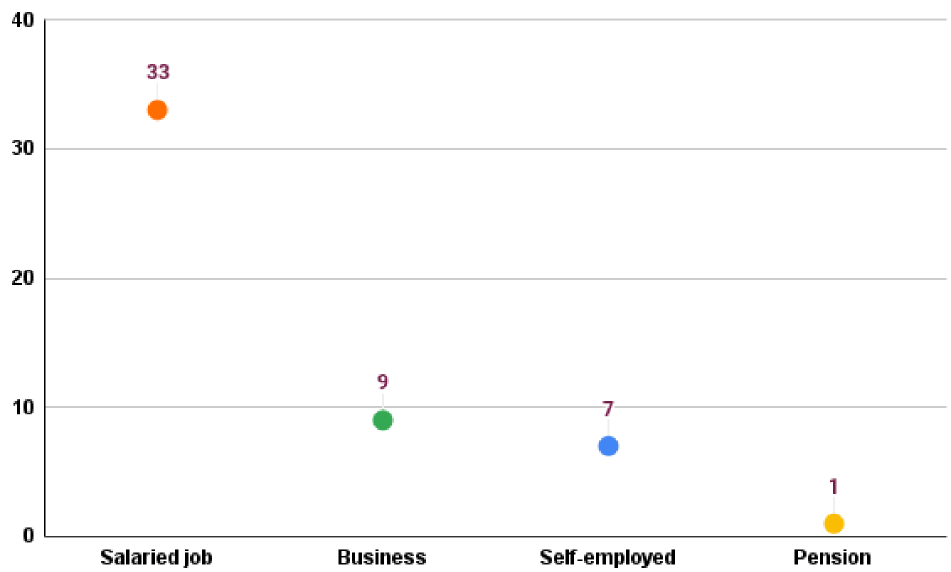
Classification according to the main source of income of households

Sl.no	Responses	Number	Percentage
1	Salaried job	33	66
2	Self-employed	7	14
3	Business	9	18
4	Pension	1	2
Total		50	100

(Source: Primary data)

Figure No. 3.6

Classification according to the main source of income of households



Above data shows that salaried job is the main source of income of 33 households, followed by business (9), self employed (7) and pension (1).

7) Classification according to the regularity on tracking & spending of income

Table No. 3.7

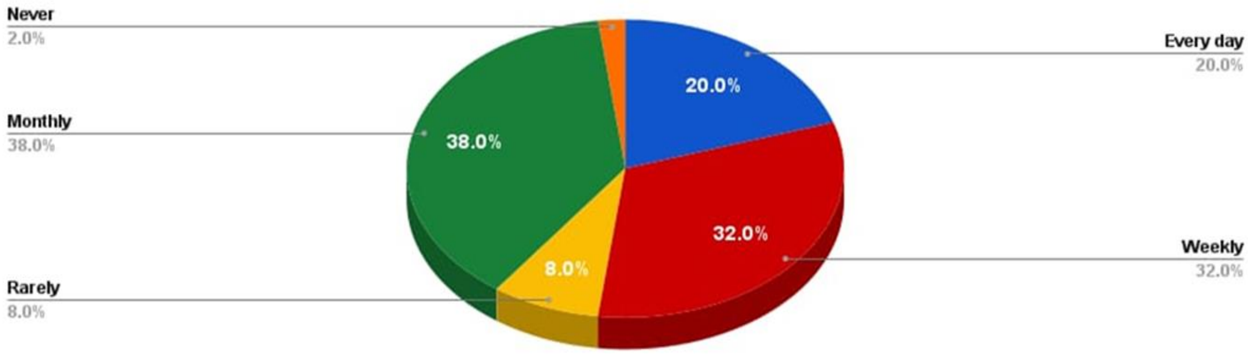
Classification according to the regularity on tracking & spending of income

Sl.no	Responses	Number	Percentage
1	Everyday	10	20
2	Weekly	16	32
3	Monthly	19	38
4	Rarely	4	8
5	Never	1	2
Total		50	100

(Source: Primary data)

Figure No. 3.7

Classification according to the regularity on tracking & spending of income



Above data shows that the majority of households track and spend their income on a monthly basis (38%). 32%of the respondents track and spend their income on weekly basis. 20% of the respondents track and spend their income on daily basis.8% of the respondents rarely track their income and 2% of the respondents never track their income.

8) Classification according to the current financial situation

Table No. 3.8

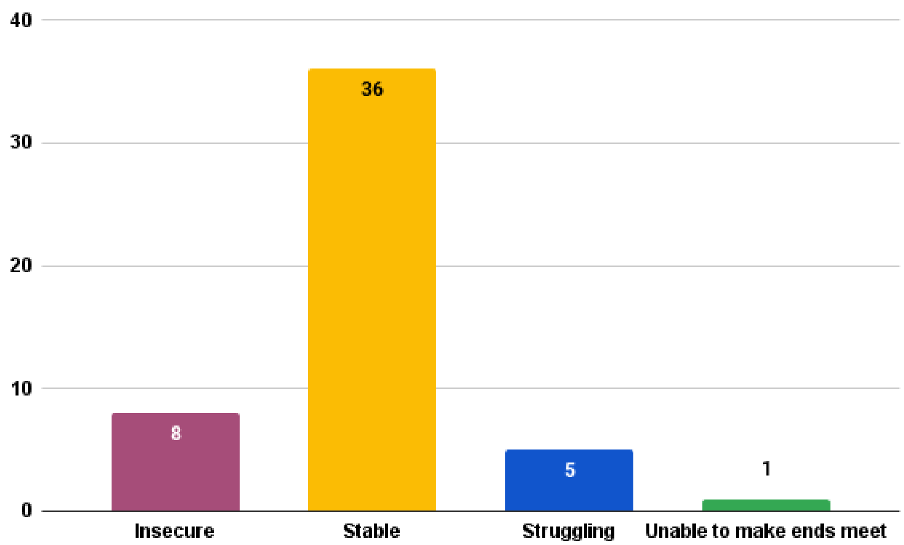
Classification according to the current financial situation

Sl.No	Responses	Numbers	Percentage
1	Stable	36	72
2	Insecure	8	16
3	Struggling	5	10
4	Unable to make ends meet	1	2
Total		50	100

(Source: Primary data)

Figure No. 3.8

Classification according to the current financial situation



The above data shows that out of 50 respondents the majority of the households have stable financial situation (36) followed by insecure situation (8) and struggling situation (5). 1 of the household is unable to make ends meet.

9) Classification according to the frequency of running out of money to meet basic needs

Table No. 3.9

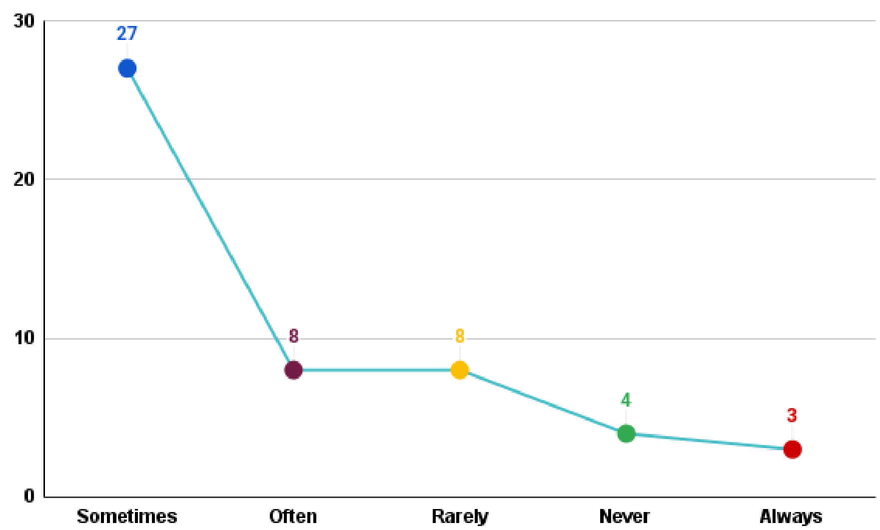
Classification according to the frequency of running out of money to meet basic needs

Sl.No	Responses	Number	Percentage
1	Always	3	6
2	Often	8	16
3	Sometimes	27	54
4	Rarely	8	16
5	Never	4	8
Total		50	100

(Source: Primary data)

Figure No. 3.9

Classification according to the frequency of running out of money to meet basic needs



The above data shows that the majority of the household sometimes runs out of money to meet basic needs (27), followed by often (8) & rarely (8), 4 of the households never runs out of money and 3 of the households always runs out of money.

10) Classification according to the awareness about the condition of financial insecurity

Table No. 3.10

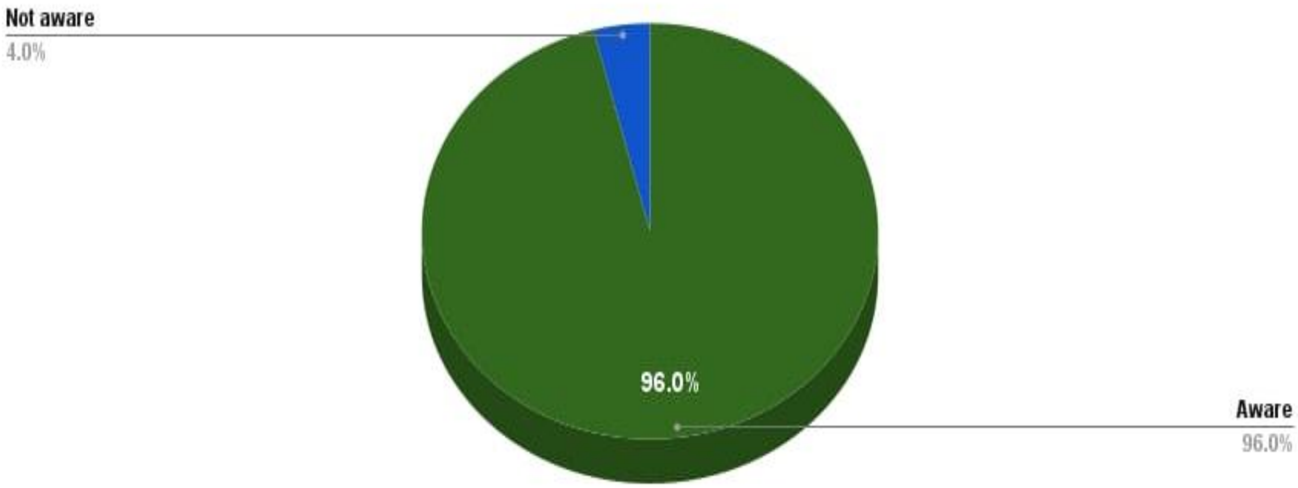
Classification according to the awareness about the condition of financial insecurity

Sl.No	Responses	Number	Percentage
1	Yes	48	96
2	No	2	4
Total		50	100

(Source: Primary data)

Figure No. 3.10

Classification according to the awareness about the condition of financial insecurity



The above data shows that the majority of the respondents are aware of the conditions of financial insecurity (96%) while the rest 4% are unaware of the conditions of financial insecurity.

11) Classification according to how financial insecurity affected the household in the past year

Table No. 3.11

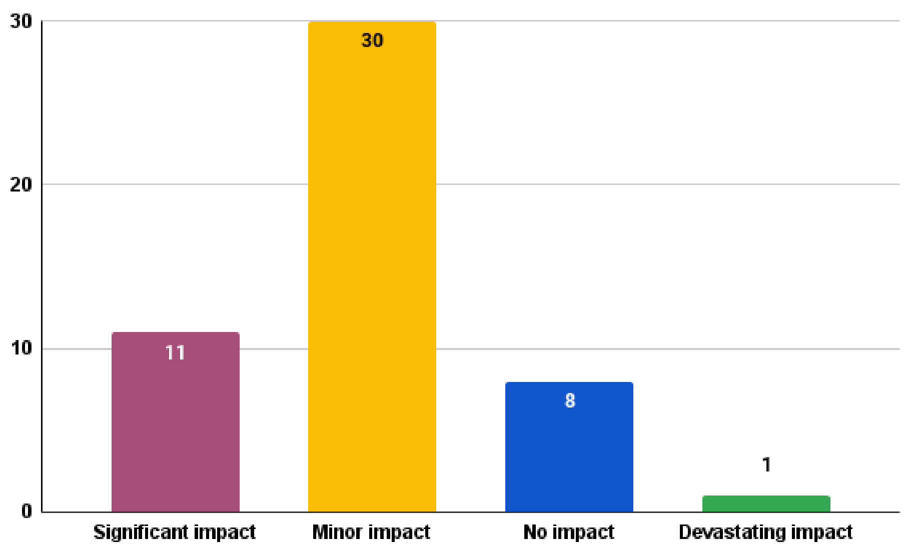
Classification according to how financial insecurity affected the household in the past year

Sl.No	Responses	Numbers	Percentage
1	Devastating impact	1	2
2	Significant impact	11	22
3	Minor impact	30	60
4	No impact	8	16
Total		50	100

(Source: Primary data)

Figure No. 3.11

Classification according to how financial insecurity affected the household in the past year



The above data shows that out of 50 respondents majority of the households had minor impact (30), followed by households with significant impact (11), no impact (8) and devastating impact (1).

12) Classification according to the ability to make all monthly payments without difficulty

Table No. 3.12

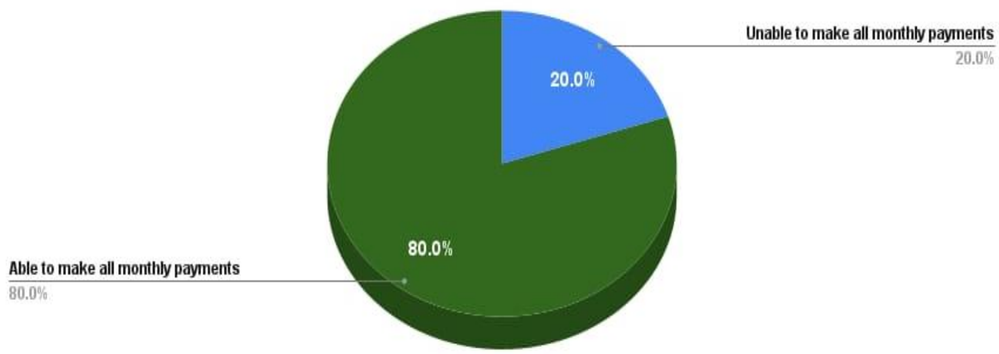
Classification according to the ability to make all monthly payments without difficulty

Sl.No	Responses	Numbers	Percentage
1	Yes	40	80
2	No	10	20
Total		50	100

(Source: Primary data)

Figure No. 3.12

Classification according to the ability to make all monthly payments without difficulty



The above data shows that the majority of the households are able to make monthly payments without difficulty (80%), followed by households who are unable to make monthly payments (20%).

13) Classification according to the households having additional streams of income as back-up

Table No. 3.13

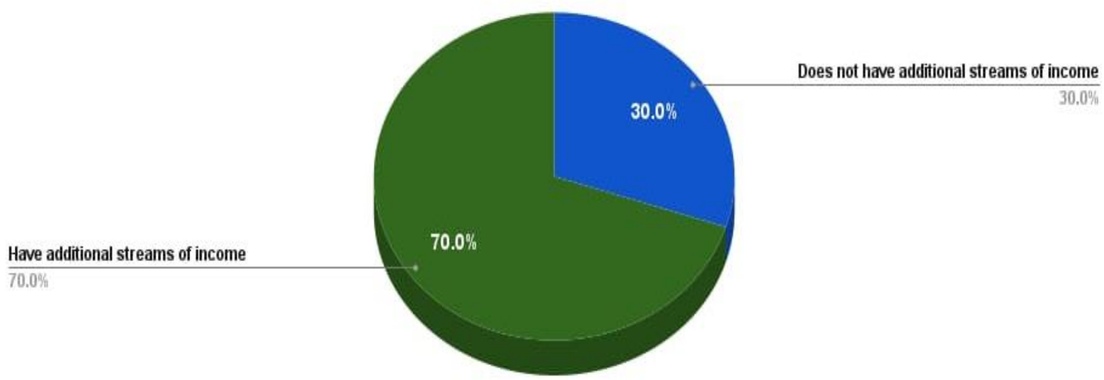
Classification according to the households having additional streams of income as back-up

Sl.No	Responses	Number	Percentage
1	Yes	35	70
2	No	15	30
Total		50	100

(Source: Primary data)

Figure No. 3.13

Classification according to the households having additional streams of income as back-up



The above data shows that the majority of households have an additional stream of income as back-up (70%) while the rest (30%) does not have a back-up stream of income.

14) Classification according to the source of additional income earned by households

Table No. 3.14

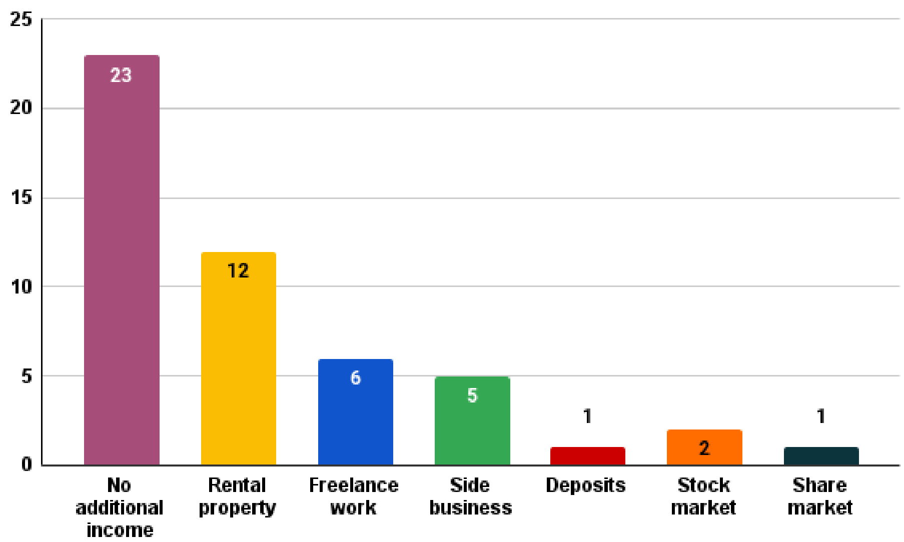
Classification according to the source of additional income earned by households

Sl.No	Responses	Number	Percentage
1	Freelance work	6	12
2	Rental property	12	24
3	Side business	5	10
4	No additional income	23	46
5	Deposits	1	2
6	Stock market	2	4
7	Share market	1	2
Total		50	100

(Source: Primary data)

Figure No. 3.14

Classification according to the source of additional income earned by households



The above data shows that households earn additional income from various sources. Out of 50 respondents 12 households earn additional income from rental property.6 households earn additional income by doing freelance work, followed by side business (5), investing in stock market (2), deposits (1) and share market (1). 23 of the respondents don't have any source to earn additional income.

15) Classification according to the situation of households in borrowing money to pay for basic necessities

Table No. 3.15

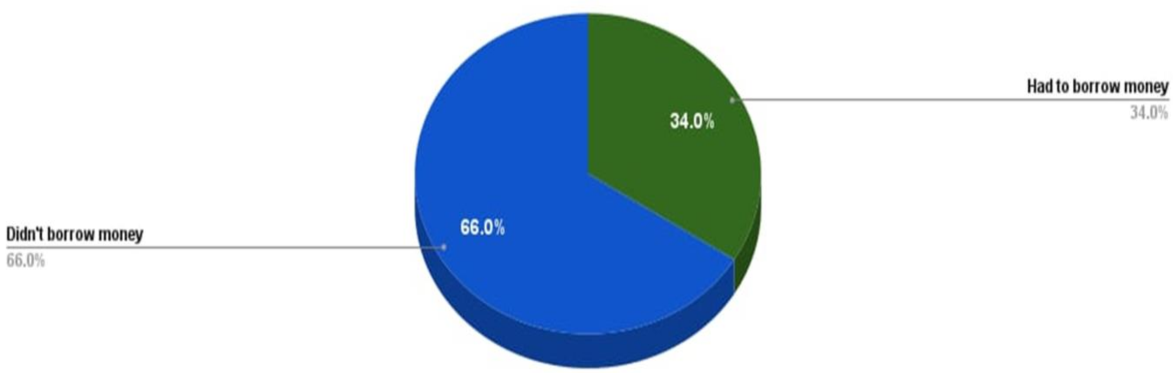
Classification according to the situation of households in borrowing money to pay for basic necessities

Sl.No	Responses	Number	Percentage
1	Had to borrow money	17	34
2	Didn't borrow money	33	66
Total		50	100

(Source: Primary data)

Figure No. 3.15

Classification according to the situation of households in borrowing money to pay for basic necessities



The above data shows that the majority of the households had to borrow money to pay for their basic necessities (66%). 34% of the households didn't borrow money.

16) Classification according to the situation of households selling personal belongings / taking out high-interest loans to make ends meet in the past year

Table No. 3.16

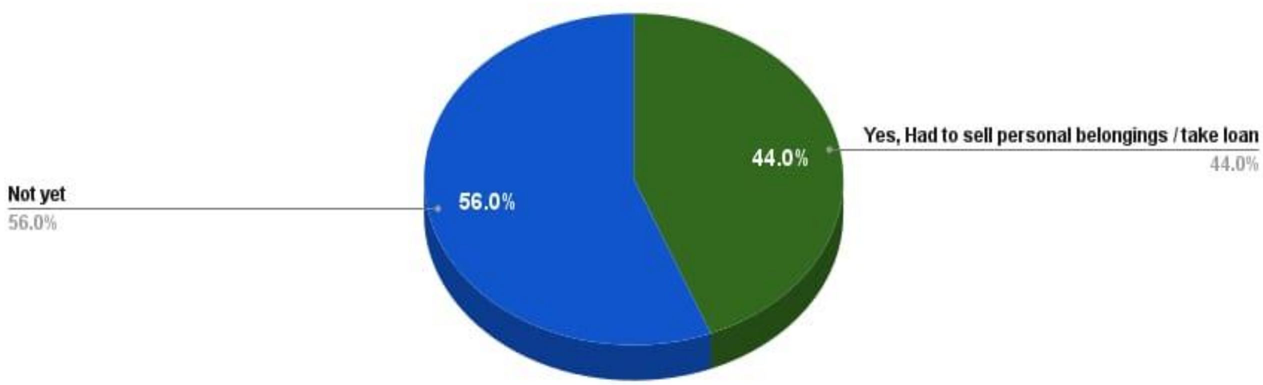
Classification according to the situation of households selling personal belongings or taking out high-interest loans to make ends meet in the past year.

Sl.No	Responses	Number	Percentage
1	Yes, had to sell personal belongings / take loan	22	44
2	Not yet	28	56
Total		50	100

(Source: Primary data)

Figure 3.16

Classification according to the situation of households selling personal belongings or taking out high-interest loans to make ends meet in the past year.



The above data shows that the majority of households could manage without selling their personal belongings or taking loans in the past year (56%). 44% of the households had to sell their personal belongings or take loan to make ends meet in the past year.

17) Classification according to the possible reasons that leads to financial insecurity

Table No. 3.17

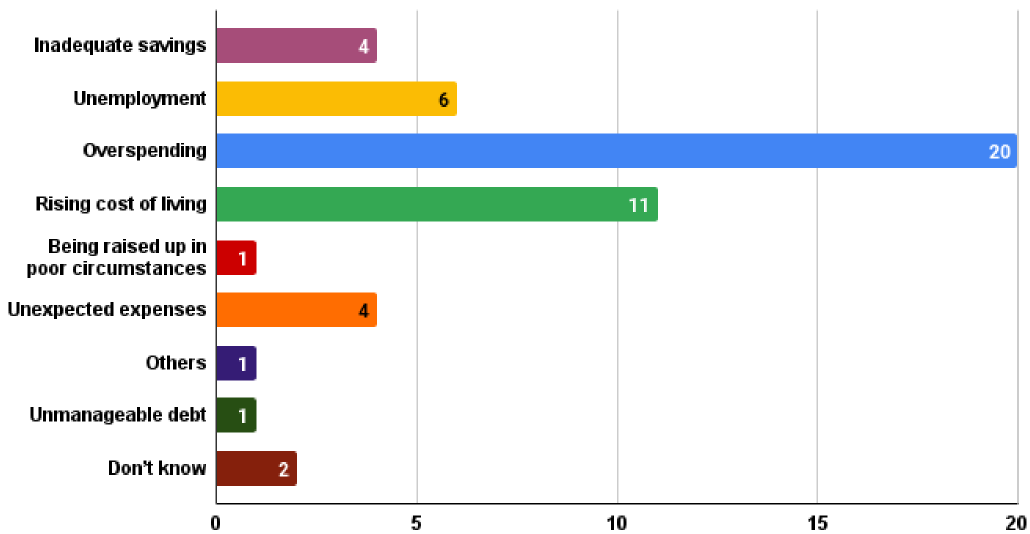
Classification according to the possible reasons that leads to financial insecurity

Sl.No	Responses	Number	Percentage
1	Overspending	20	40
2	Unemployment	6	12
3	Inadequate savings	4	8
4	Rising cost of living	11	22
5	Unexpected expenses	4	8
6	Being raised up in poor circumstances	1	2
7	Unmanageable debt	1	2
8	Don’t know	2	4
9	Others	1	2
Total		50	100

(Source: Primary data)

Figure No. 3.17

Classification according to the possible reasons that leads to financial insecurity



The above data shows that the main reason that leads to financial insecurity according to 20 respondents is overspending , followed by rising cost of living (11), unemployment (6), unexpected expenses (4), Inadequate savings (4), unmanageable debt(1), Being raised up in poor circumstances (1) and others (1). 2 households don’t know what the reason is.

18) Classification on whether financial problems can affect mental health or not from household point of view

Table No. 3.18

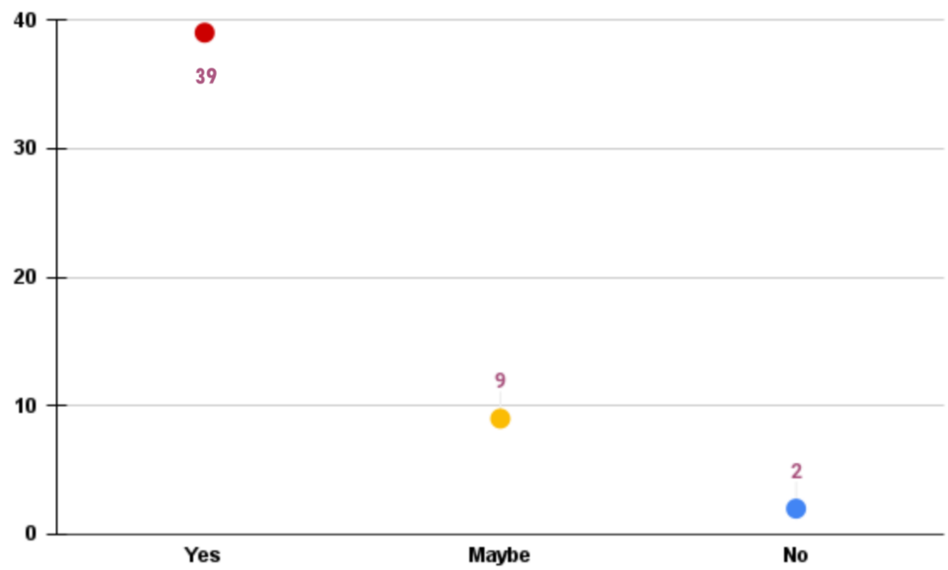
Classification on whether financial problems can affect mental health or not from household point of view

Sl.No	Responses	Number	Percentage
1	Yes, it affects mental health	39	78
2	Maybe	9	18
3	No, it doesn't affects mental health	2	4
Total		50	100

(Source: Primary data)

Figure No. 3.18

Classification on whether financial problems can affect mental health or not from household point of view



The above data shows that out of 50 respondents, the majority of the households agree that financial problems can affect the mental health (39). 9 households say that financial problems may affect the mental health and the rest 2 households say that financial problems do not affect mental health.

19) Classification on whether financial insecurity has affected the overall well being & stress level or not

Table No. 3.19

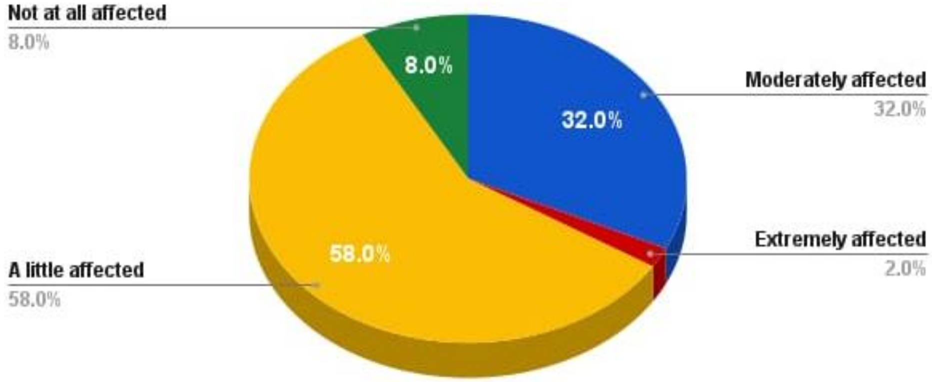
Classification on whether financial insecurity has affected the overall well –being & stress level or not

Sl.no	Responses	Number	Percentage
1	Not at all affected	4	8
2	A little affected	29	58
3	Moderately affected	16	32
4	Extremely affected	1	2
Total		50	100

(Source: Primary data)

Figure No. 3.19

Classification on whether financial insecurity has affected the overall well –being & stress level or not



The above data shows that the majority of the households have been a little affected by the stress caused due to financial insecurity (58%). 32% of the household's stress levels are moderately affected.2% of the household's are extremely affected and 8% of the household's stress levels are not at all affected.

20) Classification according to the kind of financial emergency that leaves the household most stressed

Table No. 3.20

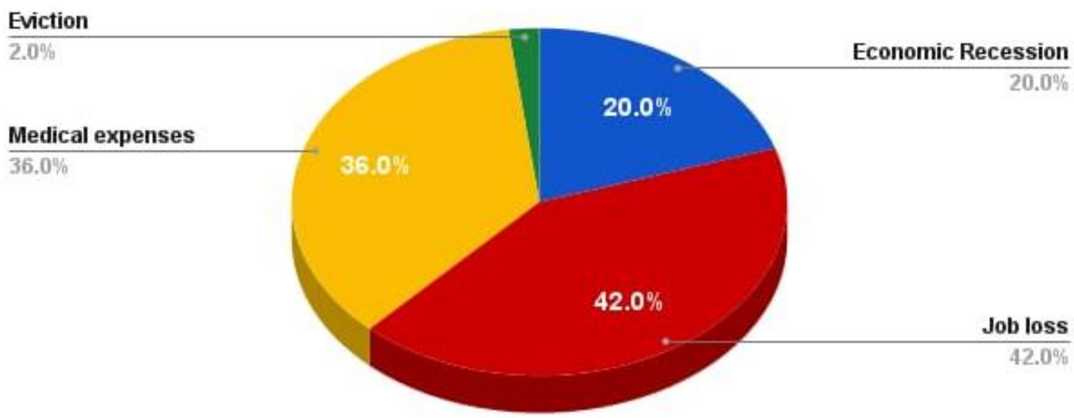
Classification according to the kind of financial emergency that leaves the household most stressed

Sl.No	Responses	Number	Percentage
1	Job loss	21	42
2	Medical expenses	18	36
3	Eviction	1	2
4	Economic recession	10	20
5	Others	-	-
Total		50	100

(Source: Primary data)

Figure No. 3.20

Classification according to the kind of financial emergency that leaves the household most stressed



The above data shows that financial emergencies cause stress to households. They include job loss, medical expenses, eviction, economic recession etc .Out of which, job loss causes more stress (42%). 36% of the households are stressed with medical expenses. 20% of the households are stressed due to economic recession and 2% of the households are stressed due to eviction.

21) Classification according to the possible effect of financial insecurity on an individual

Table No. 3.21

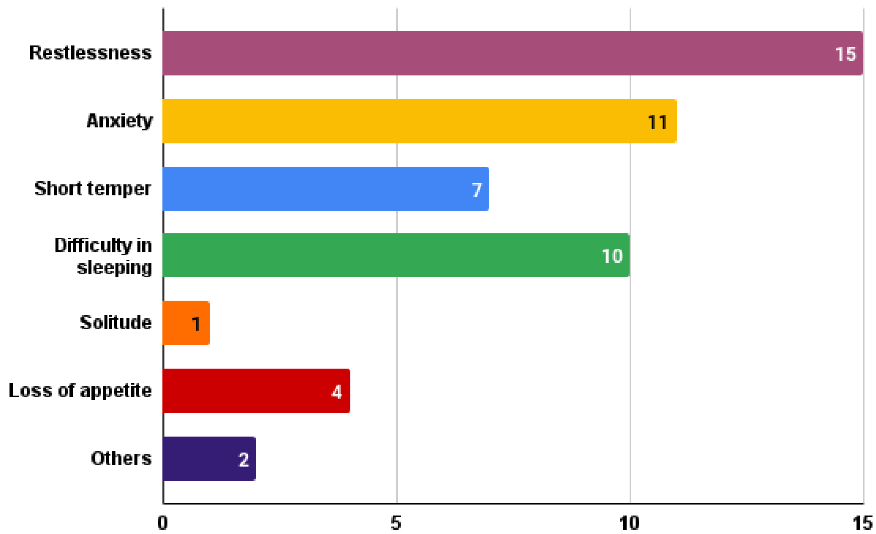
Classification according to the possible effect of financial insecurity on an individual

Sl.No	Responses	Number	Percentage
1	Anxiety	11	22
2	Restlessness	15	30
3	Difficulty in sleeping	10	20
4	Short temper	7	14
5	Solitude	1	2
6	Loss of appetite	4	8
7	Others	2	4
Total		50	100

(Source: Primary data)

Figure No. 3.21

Classification according to the possible effect of financial insecurity on an individual



The above data shows that out of 50 respondents the majority of households experience restlessness as the effect of financial insecurity (15). 11 households experience anxiety, followed by difficulty in sleeping (10), Short temper (7), loss of appetite (4), solitude (1) and others (2).

22) Classification on whether managing finances is important to improve overall financial well –being or not from household point of view

Table No. 3.22

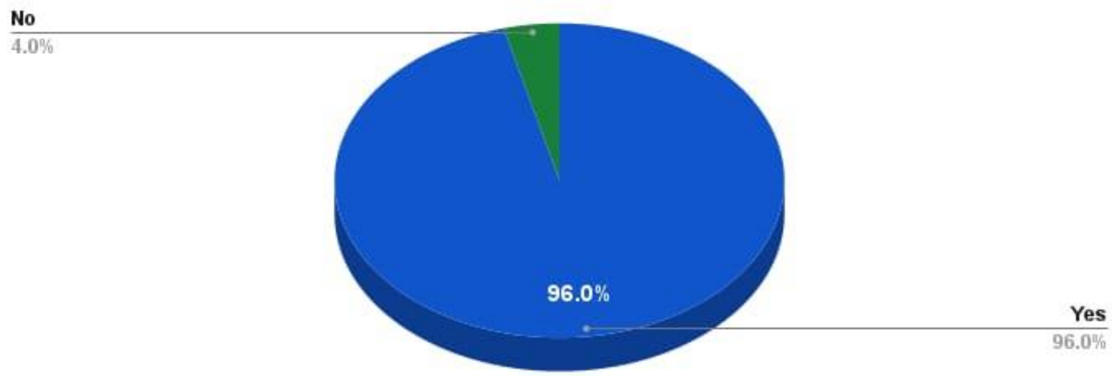
Classification on whether managing finances is important to improve overall financial well-being or not from household point of view

Sl.No	Responses	Number	Percentage
1	Yes	48	96
2	No	2	4
Total		50	100

(Source: Primary data)

Figure No. 3.22

Classification on whether managing finances is important to improve overall financial well-being or not from household point of view



The above data shows that the majority of the households agrees that managing finance is important to improve overall financial well-being (96%).The rest 4% of the households says that it is not important to manage finances to improve overall financial well-being.

23) Classification according to the willingness of households to make changes in their spending habits to achieve financial security

Table No. 3.23

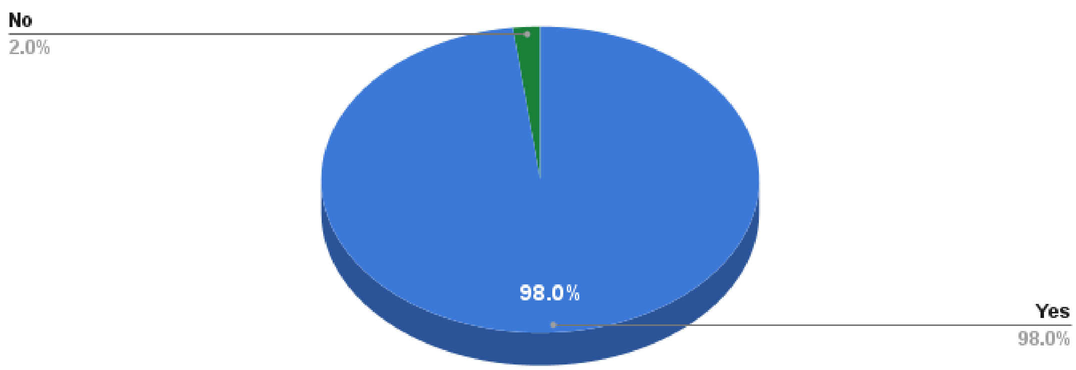
Classification according to the willingness of households to make changes in their spending habits to achieve financial security

Sl.No	Responses	Number	Percentage
1	Yes	49	98
2	No	1	2
Total		50	100

(Source: Primary data)

Figure No. 3.23

Classification according to the willingness of households to make changes in their spending habits to achieve financial security



The above data shows that the majority of households are willing to make changes in their spending habits to achieve financial security (98%) and the rest of the households are unwilling (2%).

24) Classification according to the ways through which household plans to improve financial security in the next 5 years

Table No. 3.24

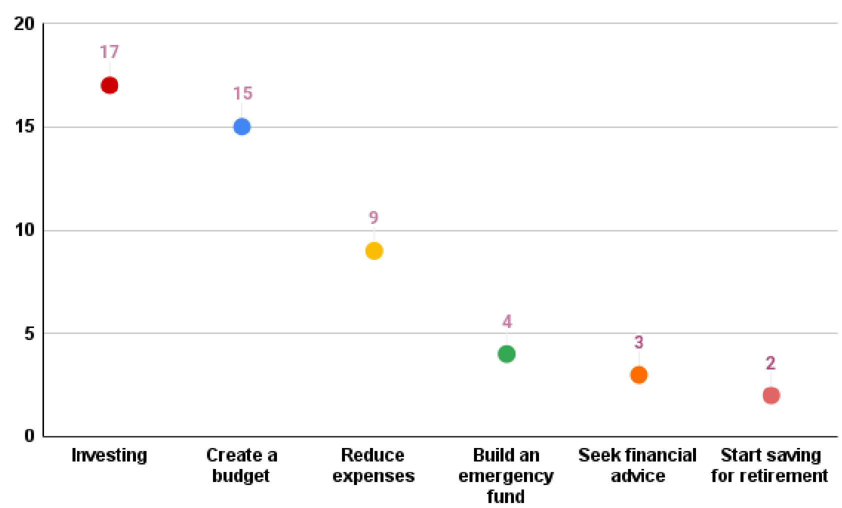
Classification according to the ways through which household plans to improve financial security in the next 5 years

Sl.no	Responses	Number	Percentage
1	Reduce expenses	9	18
2	Create a budget	15	30
3	Build an emergency fund	4	8
4	Start saving for retirement	2	4
5	Seek financial advice	3	6
6	Investing	17	34
Total		50	100

(Source: Primary data)

Figure No. 3.24

Classification according to the ways through which household plans to improve financial security in the next 5 years



The above data shows that out of 50 respondents, the majority of the households plan to improve their financial security in the next five years by investing (17). 15 households chose to create a budget, followed by to reduce expenses(9), to build an emergency fund (4), to seek financial advice (3) and the rest of the households chose to start saving for retirement (2).

CHAPTER-4

FINDINGS, SUGGESTIONS & CONCLUSION

4.1 FINDINGS

1. Majority of the respondents are of the age category 31-43 years- 42%.
2. Females are the major respondents -29 followed by males-21.
3. Out 50 respondent's majority are employed (22) followed by students (18), unemployed (6) and respondents doing business (4).
4. Nearly half of the respondents are of the income level 30,000-60,000 (46%).
5. Out 50 respondent's majority have 3-4 members in their household -35.
6. Salaried job is the main source of income of 33 households, followed by business (9), self employed (7) and pension (1).
7. Majority of households track and spend their income on a monthly basis-38%, followed by 32% on weekly basis, 20% on daily basis, 8% rarely and 2% of the respondents never track their income.
8. Out 50 respondent's majority of the households have stable financial situation -36.
9. Majority of the people sometimes runs out of money to meet basic needs -27.
10. Majority of the respondents are aware about the conditions of financial insecurity -96%.
11. Out of 50 respondents majority of the respondents had minor impact due to financial insecurity-30.
12. Majority of the households are able to make monthly payments without difficulty -80%.
13. Majority of people have an additional stream of income as back-up -70%.
14. Out of 50 respondents, 12 households earn additional income from rental property, followed by doing freelance work(6), side business (5), investing in stock market (2), deposits (1) and share market (1). 23 of the respondents don't have any source to earn additional income.
15. Majority of the households had to borrow money to pay for their basic necessities -66%.
16. Majority of households could manage without selling their personal belongings or taking loans in the past year-56%.
17. The main reason that leads to financial insecurity according to 20 respondents is overspending , followed by rising cost of living (11), unemployment (6), unexpected expenses (4), Inadequate savings (4), unmanageable debt(1), being raised up in poor circumstances (1) and others (1). 2 households don't know what the reason is.

18. Out of 50 respondents, the majority of the households agree that financial problems can affect the mental health (39).
19. Majority of the households have been a little affected by the stress caused due to financial insecurity-58%.
20. Job loss is the financial emergency which gives more stress to majority of the households-42%.
21. Out of 50 respondents the majority of households experience restlessness as the effect of financial insecurity (15). 11 households experience anxiety, followed by difficulty in sleeping (10), Short temper (7), loss of appetite (4), solitude (1) and others (2).
22. Majority of the households agrees that managing finance is important to improve overall financial well-being-96%.
23. The majority of households are willing to make changes in their spending habits to achieve financial security-98%.
24. Out of 50 respondents, the majority of the households plan to improve their financial security in the next five years by investing (17). 15 households chose to create a budget, followed by to reduce expenses(9), to build an emergency fund (4), to seek financial advice (3) and the rest of the households chose to start saving for retirement (2).

4.2 SUGGESTIONS

Many people never achieve personal financial security because they don’t know how to manage their money properly. They may be unable to save, invest, or budget effectively, which can lead to a lot of stress and anxiety. Unexpected financial emergencies can leave anyone stressed and good financial planning can help to be prepared for unforeseen situations. Economic uncertainty, illnesses, and accidental incidents can be happened at any time. To set an emergency fund is a must. The amount for this fund should be around 6-12 months. Furthermore, health and accident insurance are recommended too, as it will secure your bank account when you face with expected events.

Recording your expenses regularly is necessary. This is to monitor your spending pattern and use it for further financial planning. For the basic cost of living such as housing, utilities, food, and transportation, should not be allowed to not go over 50% of monthly income. Saving and emergency budgets should be set at least around 10-20% a month and other expenses should be less than 30% of income. If even though you earn more, it does not mean that you have to spend more, especially on unnecessary and luxurious items. The surplus you have could be saved and invested so that you can be financially free even faster.

In order to achieve financial security, you need to have a number of good money management habits and skills. You can do many things to build this foundation, including creating a budget, saving money regularly, investing money wisely, and staying informed about personal finance. Remember that it takes time and effort but, with a little hard work, you can reach your financial goals and enjoy the benefits of personal financial stability that it brings to your life.

4.3 CONCLUSION

Financial issue, stress and struggles are common in households. Financial insecurity feeds on itself and accelerates because humans are sensitive to feelings of weakness and defeat. The reasons that leads to financial insecurity includes overspending , followed by rising cost of living, unemployment, unexpected expenses, inadequate savings , unmanageable debt, being raised up in poor circumstances and other reasons. Financial problems can affect the mental health and cause stress. The effects of financial insecurity include restlessness, anxiety, difficulty in sleeping, short temper, loss of appetite and solitude.

The challenge of financial insecurity is overcoming temptation. It can be difficult to resist the urge to spend money when you're not used to living within your budget. It is important to find ways by which financial insecurity can be converted to financial security so as to attain financial stability which leads to good financial health. Financial security doesn't mean living in a big house or owning expensive luxury items. It means being able to pay for everything needed and still having more than enough. It means having control over your financial situation.

Financial security can be achieved by reducing expenses, building an emergency fund, seeking financial advice, investing in right channels and saving funds wherever possible. A crucial part of financial security management is living below your means. This means that you should always spend less than you make. Financial security over years leads to financial stability and financial stability over years leads to good financial health. It is therefore important to have a solid foundation of financial habits, skills and savings to protect people from the ups and downs of life.

CHAPTER- 5

BIBLIOGRAPHY

Webs

https://www.un.org

https://www.forbes.com

https://www.investopedia.com

https://www.outlookindia.com

Books

Research Methodology Text book – M C Baby

Journal

1. Thangaraj Ravikumar (2022)- research topic "Financial stress, financial literacy, and financial insecurity in India's informal sector during COVID-19. "
2. Weinstein, N., & Stone, D. N. (2018)- research topic " Need depriving effects of financial insecurity: Implications for well-being and financial behaviors. "
3. Russell A. Matthews (2018)- research topic "Employees' financial insecurity and health: The underlying role of stress and work–family conflict appraisals. "
4. HopeCorman (2012)- research topic "Effects of financial insecurity on social interactions. "
5. Nicholas Rohde (2014)- research topic "Effect of economic insecurity on mental health. "
6. Nancy Kong (2021) - research topic "Parental economic insecurity and child health."
7. Naijie Guan (2022) - research topic "Financial stress and depression in adults: A systematic review."
8. Roziah Mohd Rasdi (2021)- research topic "Financial insecurity during COVID-19 pandemic: spillover effects on burnout-disengagement relationships."
9. Taryn W Morrissey (2020)
10. Carol Bruce (2020)- research topic "Financial vulnerability and the impact of COVID-19."
11. Emily Brown (2020)- research topic "Financial health as a measureable social determinant of health."

12. Sangram Kishor Patel (2019)- research topic “Enhancing Financial security of female sex workers through a community-led intervention in India: Evidence from a longitudinal survey.”
13. Anu Molarius (2012)- research topic “ can financial insecurity and condescending treatment explain the higher prevalence of poor self-rated health in women than in men? A population-based cross-sectional study.”
14. Luisa Anderloni (2012)- research topic “Financial health as a measureable social determinant of health.”
15. DanielKopasker (2018)- research topic “Economic insecurity: A socioeconomic determinant of mental health.”
16. Marybel R (2022)- research topic “Family Well-Being During the COVID-19 Pandemic: The Risks of Financial Insecurity and Coping.”

ANNEXURE

QUESTIONNAIRE

Personal Details

1. Name :
2. Select your age category : ▢ 18-30 ▢31-43 ▢44-56 ▢56 above
3. Select your gender : ▢Female ▢Male ▢Others
4. Select your occupation: ▢ Student ▢Business ▢Employed ▢Unemployed
5. Phone number
6. E-mail id
7. What is your income level? (Income Level - monthly income of the highest earning family member)

   ▢Up to 15,000 ▢15,000 - 30,000 ▢30,000 - 60,000 ▢Above 60,000

8. How many members are there in your household?

   ▢2 members ▢3-4 members ▢4-5 members ▢5-6 members ▢more than 6 members

9. What is the main source of income for your household?

   ▢Salaried job ▢ Self-employed ▢ Business ▢Pension

10. How regularly do you track your spending and income?

    ▢ Every day ▢ Weekly ▢Monthly ▢Rarely ▢Never

11. What is your current financial situation?

    ▢ Stable ▢Insecure ▢Struggling ▢ Unable to make ends meet

12. How frequently do you worry about running out of money to meet your basic needs?

    ▢Always ▢Often ▢Sometimes ▢Rarely ▢ Never

13. Are you aware about the condition of financial insecurity?

    ▢Yes ▢No

14. How has the financial insecurity affected your household in the past year?
   ▢No impact ▢Minor impact ▢Significant impact ▢Devastating impact

15. Are you able to make all your necessary monthly payments (Utilities, food, rent/mortgage, etc.) without difficulty?
   ▢Yes ▢No
16. Have you considered additional streams of income as a back-up?
   ▢Yes ▢No

17. Select the source from which you earn additional income
   ▢ Freelance work ▢ Rental property ▢Side business ▢Other source
   ▢No additional income

18. Have you ever had to borrow money from friends or family to pay for basic necessities?
   ▢ Yes ▢No

19. Have you or anyone in your household had to sell personal belongings or take out high-interest loans in the past year to make ends meet?
   ▢Yes ▢No

20. What do you think is or might be the reason that leads to financial insecurity?
   ▢Overspending ▢Unemployment ▢Inadequate savings ▢ Rising cost of living
   ▢Being raised up in poor circumstances ▢Unmanageable debt ▢ Unexpected expenses
   ▢Other reasons ▢Don’t know

21. Do you believe that financial problems can take a huge toll on your mental health?
   ▢Yes ▢No ▢Maybe ▢Don’t know

22. To what extent has financial insecurity affected your overall well-being and stress levels?
   ▢Not at all affected ▢A little affected ▢Moderately affected ▢Extremely affected

23. Which kind of financial emergency leaves you the most stressed?
☐Job loss ☐Medical expenses ☐Eviction ☐Economic Recession ☐Others

24. What do you think is or might be the possible effect of financial insecurity on an individual?
☐ Anxiety ☐Restlessness ☐Difficulty in sleeping ☐Short temper ☐Solitude ☐ Loss of appetite ☐Others

25. Do you believe managing your finances is important to increase financial security so as to improve your overall financial well-being?
☐Yes ☐No

26. Are you willing to make changes in your spending habits to achieve financial security?
☐Yes ☐No

27. How do you plan to improve your financial security in the next 5 years?
☐ Reduce expenses ☐ Create a budget ☐ Build an emergency fund ☐ Start saving for retirement ☐ Seek financial advice ☐Investing ☐Others